



## Transcript of **DAVID FREEMAN**

**Date:** November 17, 2014

**Case:** MAHDAVI v. NEXTGEAR CAPITAL, INC., ET AL

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DEPOSITION OF CORPORATE DESIGNEE, DAVID FREEMAN  
CONDUCTED ON MONDAY, NOVEMBER 17, 2014

1 (Pages 1 to 4)

1	<p>1 IN THE UNITED STATES DISTRICT COURT</p> <p>2 FOR THE EASTERN DISTRICT OF VIRGINIA</p> <p>3 Alexandria Division</p> <p>4 -----x</p> <p>5 JODI C. MAHDAVI, :</p> <p>6 Plaintiff, :</p> <p>7 v. : Case No.:</p> <p>8 NEXTGEAR CAPITAL, INC., et : 1:14-cv-00648-TSE-TCB</p> <p>9 al., :</p> <p>10 Defendants. :</p> <p>11 -----x</p> <p>12</p> <p>13 Deposition of NEXTGEAR CAPITAL, INC.,</p> <p>14 By and through its Corporate Designee,</p> <p>15 DAVID FREEMAN</p> <p>16 Washington, DC</p> <p>17 Monday, November 17, 2014</p> <p>18 11:05 a.m.</p> <p>19</p> <p>20 Job No.: 70226</p> <p>21 Pages: 1 - 124</p> <p>22 Reported By: Lee Bursten, RMR, CRR</p>	3
2	<p>1 A P P E A R A N C E S</p> <p>2 ON BEHALF OF PLAINTIFF:</p> <p>3 JONATHAN EDWARD LEVINE, ESQUIRE</p> <p>4 LEVINE DANIELS &amp; ALLNUTT PLLC</p> <p>5 5311 Lee Highway</p> <p>6 Arlington, Virginia 22207</p> <p>7 (703) 525-2668</p> <p>8</p> <p>9 ON BEHALF OF DEFENDANT PAR SERVICES INC.:</p> <p>10 JAMES N. MARKELS, ESQUIRE</p> <p>11 JACKSON &amp; CAMPBELL PC</p> <p>12 1120 Twentieth Street, NW, South Tower</p> <p>13 Washington, DC 20036</p> <p>14 (202) 457-1600</p> <p>15</p> <p>16 ON BEHALF OF DEFENDANT NEXTGEAR CAPITAL INC.:</p> <p>17 JAMES D. BRAGDON, ESQUIRE</p> <p>18 GALLAGHER EVELIUS &amp; JONES LLP</p> <p>19 218 North Charles Street, Suite 400</p> <p>20 Baltimore, Maryland 21201</p> <p>21 (410) 727-7702</p> <p>22</p>	4
2	<p>1 Deposition of NEXTGEAR CAPITAL, INC., By</p> <p>2 and through its Corporate Designee, DAVID FREEMAN,</p> <p>3 held at the offices of:</p> <p>4</p> <p>5</p> <p>6 JACKSON &amp; CAMPBELL PC</p> <p>7 1120 Twentieth Street, NW</p> <p>8 South Tower</p> <p>9 Washington, DC 20036</p> <p>10 (202) 457-1600</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15 Pursuant to agreement, before Lee Bursten,</p> <p>16 Registered Merit Reporter, Certified Realtime</p> <p>17 Reporter, and Notary Public in and for the District</p> <p>18 of Columbia, who officiated in administering the oath</p> <p>19 to the witness.</p> <p>20</p> <p>21</p> <p>22</p>	<p>1 C O N T E N T S</p> <p>2 EXAMINATION OF DAVID FREEMAN PAGE</p> <p>3 By Mr. Levine 6</p> <p>4 By Mr. Bragdon 114</p> <p>5 By Mr. Levine 119</p> <p>6</p> <p>7</p> <p>8 E X H I B I T S</p> <p>9 (Attached to transcript. Exhibits 5, 6, 7, and 9 were</p> <p>10 not introduced.)</p> <p>11 NEXTGEAR DEPOSITION EXHIBITS PAGE</p> <p>12 Exhibit 1 Notice of Deposition 6</p> <p>13 Exhibit 2 NextGear Capital Inc.'s Answer 18</p> <p>14 to Complaint</p> <p>15 Exhibit 3 NextGear Capital Inc.'s Answers 32</p> <p>16 to Plaintiff's First Set of</p> <p>17 Interrogatories</p> <p>18 Exhibit 4 NextGear Capital Inc.'s 33</p> <p>19 Responses to Plaintiff's First</p> <p>20 Request for Production of</p> <p>21 Documents</p> <p>22</p>

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5	<p>1 EXHIBITS CONTINUED</p> <p>2 NEXTGEAR DEPOSITION EXHIBITS PAGE</p> <p>3 Exhibit 8 Demand Promissory Note and Loan 61</p> <p>4 and Security Agreement</p> <p>5 Exhibit 10 Collections Management Record 65</p> <p>6 Exhibit 11 Condition Report 108</p> <p>7 Exhibit 12 Howard letter to Mahdavi, 102</p> <p>8 6/13/14</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>	7	<p>1 you've been chosen as the corporate representative</p> <p>2 for NextGear?</p> <p>3 <b>A Yes.</b></p> <p>4 Q And you're here voluntarily today?</p> <p>5 <b>A Yes.</b></p> <p>6 Q And you're here to testify on each of the</p> <p>7 items designated in the notice of deposition?</p> <p>8 <b>A Yes.</b></p> <p>9 Q Okay. Are there any of the items in the</p> <p>10 designation that you're not prepared to testify to</p> <p>11 today?</p> <p>12 <b>A No.</b></p> <p>13 Q And who is your employer?</p> <p>14 <b>A NextGear Capital.</b></p> <p>15 Q And what's your business address?</p> <p>16 <b>A 1320 City Center Drive. It's Carmel,</b></p> <p>17 <b>Indiana.</b></p> <p>18 Q And where do you work?</p> <p>19 <b>A My residence is 4320. I work out of</b></p> <p>20 <b>Baltimore, Owings Mills, Maryland.</b></p> <p>21 Q And what's the full address?</p> <p>22 <b>A 4320 Holbrook, H-O-L-B-R-O-O-K.</b></p>
6	<p>1 PROCEEDINGS</p> <p>2 DAVID FREEMAN</p> <p>3 having been duly sworn/affirmed, testified as</p> <p>4 follows:</p> <p>5 EXAMINATION BY COUNSEL FOR PLAINTIFF</p> <p>6 BY MR. LEVINE:</p> <p>7 Q Would you please state your full name.</p> <p>8 <b>A David Freeman, F-R-E-E-M-A-N.</b></p> <p>9 Q And Mr. Freeman, you understand you're here</p> <p>10 as a corporate representative for NextGear?</p> <p>11 <b>A That's correct.</b></p> <p>12 Q If you can take a look at what I've marked</p> <p>13 as NextGear 1.</p> <p>14 (NextGear Exhibit 1 was marked for</p> <p>15 identification and attached to the deposition</p> <p>16 transcript.)</p> <p>17 BY MR. LEVINE:</p> <p>18 Q Have you seen this document before?</p> <p>19 <b>A I had not.</b></p> <p>20 Q You've never seen it? Okay. This was the</p> <p>21 notice of deposition for NextGear to designate a</p> <p>22 corporate representative. Do you understand that</p>	8	<p>1 Q That's in Baltimore?</p> <p>2 <b>A Yes.</b></p> <p>3 Q Okay. And what is your job title at</p> <p>4 NextGear?</p> <p>5 <b>A Account executive.</b></p> <p>6 Q Okay. And what are your job</p> <p>7 responsibilities?</p> <p>8 <b>A Basically to grow my market and/or</b></p> <p>9 <b>retention, as far as collect the money.</b></p> <p>10 Q Okay. What is your market?</p> <p>11 <b>A Baltimore. I cover Baltimore, a little bit</b></p> <p>12 <b>of Pennsylvania, and that's pretty much it.</b></p> <p>13 Q When you say "Baltimore," the city of</p> <p>14 Baltimore?</p> <p>15 <b>A Basically you can say the State of</b></p> <p>16 <b>Maryland.</b></p> <p>17 Q And how long have you been employed at</p> <p>18 NextGear?</p> <p>19 <b>A I started with NextGear in June of '08.</b></p> <p>20 Q And when you started with NextGear, what</p> <p>21 was your position?</p> <p>22 <b>A General manager.</b></p>

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9	<p>1 Q And how long were you a general manager for</p> <p>2 NextGear?</p> <p>3 A I guess about three years. And we</p> <p>4 downsized and moved our offices to Indiana, so I</p> <p>5 became an account executive in 2010.</p> <p>6 Q Have you had any other roles within the</p> <p>7 company?</p> <p>8 A No.</p> <p>9 Q So you've been an account executive since</p> <p>10 2010 to the present?</p> <p>11 A Correct.</p> <p>12 Q Have you ever given a deposition before?</p> <p>13 A No. This will be my first.</p> <p>14 Q Okay. Have you ever testified in court</p> <p>15 before?</p> <p>16 A Yes.</p> <p>17 Q And was that on behalf of NextGear?</p> <p>18 A Yes.</p> <p>19 Q And where was that?</p> <p>20 A I've been -- this case, I guess about two</p> <p>21 weeks ago. And a couple of other cases.</p> <p>22 Q When you say "this case," do you mean --</p>	11	<p>1 going to ask you questions. Your attorney may have</p> <p>2 an opportunity to object to some of those questions.</p> <p>3 And do you understand that you're still required to</p> <p>4 answer those questions even if your attorney objects?</p> <p>5 A Yes.</p> <p>6 Q So unless he instructs you not to answer,</p> <p>7 you still need to provide an answer.</p> <p>8 A Okay.</p> <p>9 Q Are we in agreement on that?</p> <p>10 A Yes.</p> <p>11 Q Okay. And please, if you don't understand</p> <p>12 any of my questions, let me know, okay? Is it fair</p> <p>13 if you don't say anything to me, that I will assume</p> <p>14 that you understand my question?</p> <p>15 A Yes.</p> <p>16 Q Okay.</p> <p>17 A Yes.</p> <p>18 Q And the central issue of this case is about</p> <p>19 a 650i BMW; do you understand that?</p> <p>20 A Yes.</p> <p>21 Q So if I'm talking about the BMW, are we on</p> <p>22 the same page that we're talking about the white BMW</p>
10	<p>1 A I guess against Baltimore-Washington.</p> <p>2 Q NextGear against Baltimore-Washington?</p> <p>3 A Yes.</p> <p>4 Q So not Mrs. Mahdavi's case?</p> <p>5 A Correct.</p> <p>6 Q Was that a hearing that you testified in?</p> <p>7 A It was -- I want to say a -- I guess we</p> <p>8 were putting claim against his assets at the time,</p> <p>9 what do you call that?</p> <p>10 MR. BRAGDON: Preliminary injunction.</p> <p>11 A Preliminary injunction against Molavi,</p> <p>12 Mr. Molavi.</p> <p>13 BY MR. LEVINE:</p> <p>14 Q The owner of BWA?</p> <p>15 A The owner of Baltimore-Washington.</p> <p>16 Q And when was this?</p> <p>17 A I'm going to say about two to three weeks</p> <p>18 ago. I don't have the exact date.</p> <p>19 Q Okay. And was a preliminary injunction</p> <p>20 entered?</p> <p>21 A Yes.</p> <p>22 Q Since this is your first deposition, I'm</p>	12	<p>1 650i?</p> <p>2 A Yes.</p> <p>3 Q You said you testified in NextGear's claim</p> <p>4 against BW Auto. Have you testified in any other</p> <p>5 lawsuits on behalf of NextGear?</p> <p>6 A Yeah, about three other cases.</p> <p>7 Q Okay. And when was that?</p> <p>8 A I would not have the dates for that. Just</p> <p>9 through the course of the years.</p> <p>10 Q Okay. So since you became an account</p> <p>11 executive, or when you were a general manager?</p> <p>12 A At one point, I think I was still a general</p> <p>13 manager. And as an account executive. It's in both</p> <p>14 positions.</p> <p>15 Q And were those also attempts to collect?</p> <p>16 A Collect debt, yes.</p> <p>17 Q Do you recall the most recent of the three?</p> <p>18 Not the NextGear and BW Auto, but --</p> <p>19 A Somewhat.</p> <p>20 Q And who is the defendant in that case?</p> <p>21 A Who was the defendant? No, I wouldn't have</p> <p>22 that name.</p>

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<p style="text-align: right;">13</p> <p>1 Q Do you recall whose loan it was that</p> <p>2 NextGear was trying to collect?</p> <p>3 A <b>The name of the company?</b></p> <p>4 Q Yes.</p> <p>5 A <b>They've since gone out of business. It's</b></p> <p>6 <b>been a couple of years. So no, I don't have the name</b></p> <p>7 <b>of -- it was actually down in Fredericksburg,</b></p> <p>8 <b>Virginia.</b></p> <p>9 Q Okay. Other than your attorney, have you</p> <p>10 discussed the facts of this case with anybody else?</p> <p>11 A <b>No.</b></p> <p>12 Q Did you speak to Lisa Long about the case?</p> <p>13 A <b>That's my direct supervisor, so yes.</b></p> <p>14 Q So you did speak to Lisa Long?</p> <p>15 A <b>Yes.</b></p> <p>16 Q All right. Did you speak to --</p> <p>17 A <b>Outside of the company, NextGear, no. Of</b></p> <p>18 <b>course Lisa, and our attorneys.</b></p> <p>19 Q Okay. So no one else besides Lisa Long at</p> <p>20 NextGear did you speak to?</p> <p>21 A <b>No. No.</b></p> <p>22 Q Okay.</p>	<p style="text-align: right;">15</p> <p>1 been filed in the case?</p> <p>2 A <b>Yes.</b></p> <p>3 Q All right. And how about NextGear's answer</p> <p>4 to the --</p> <p>5 A <b>Yes.</b></p> <p>6 Q NextGear's answer to the preliminary</p> <p>7 injunction?</p> <p>8 A <b>Yes.</b></p> <p>9 Q All right. And did you review Lisa Long's</p> <p>10 affidavit?</p> <p>11 A <b>Yes.</b></p> <p>12 Q Did you discuss Lisa Long's affidavit with</p> <p>13 Lisa Long?</p> <p>14 A <b>No. I actually just read it this morning.</b></p> <p>15 Q Okay. Did you do any investigation into</p> <p>16 the facts and circumstances for Ms. Long's affidavit,</p> <p>17 the facts and circumstances that form the basis of</p> <p>18 her affidavit?</p> <p>19 MR. BRAGDON: Objection, form.</p> <p>20 A <b>Rephrase the question, please.</b></p> <p>21 BY MR. LEVINE:</p> <p>22 Q Sure. Ms. Long submitted an affidavit in</p>
<p style="text-align: right;">14</p> <p>1 A <b>Besides our attorneys, correct?</b></p> <p>2 Q Yes, besides your attorneys. Not including</p> <p>3 your attorneys?</p> <p>4 A <b>Yes. Lisa and our attorneys.</b></p> <p>5 Q Okay. Did you review any documents in</p> <p>6 preparation for your deposition?</p> <p>7 A <b>Yes.</b></p> <p>8 Q Okay. What documents did you review?</p> <p>9 A <b>Just the legal contracts. That was pretty</b></p> <p>10 <b>much it.</b></p> <p>11 Q Okay. When you say "the legal contracts,"</p> <p>12 which contracts?</p> <p>13 A <b>Our contracts with Baltimore-Washington.</b></p> <p>14 Q Did you review any of the pleadings in the</p> <p>15 case?</p> <p>16 A <b>Yes, somewhat.</b></p> <p>17 Q Did you review Mrs. Mahdavi's complaint?</p> <p>18 A <b>Yes.</b></p> <p>19 Q Did you review NextGear's answer to the</p> <p>20 complaint?</p> <p>21 A <b>Yes.</b></p> <p>22 Q Did you review any of the motions that have</p>	<p style="text-align: right;">16</p> <p>1 this case.</p> <p>2 A <b>Okay.</b></p> <p>3 Q Did you do any investigation on your own to</p> <p>4 determine how she came up with the facts to put into</p> <p>5 her affidavit?</p> <p>6 A <b>No.</b></p> <p>7 Q So you're here to testify on the factual</p> <p>8 issues in the subject matter of the complaint?</p> <p>9 A <b>Correct.</b></p> <p>10 Q And the factual allegations supporting</p> <p>11 NextGear's responses in its answer to the complaint?</p> <p>12 A <b>Correct.</b></p> <p>13 Q And the issues and subject matter in</p> <p>14 NextGear's answer to the complaint?</p> <p>15 MR. BRAGDON: Objection, form. You can</p> <p>16 answer.</p> <p>17 A <b>Correct.</b></p> <p>18 BY MR. LEVINE:</p> <p>19 Q And you're also here to testify to each</p> <p>20 fact learned by NextGear subsequent to the filing of</p> <p>21 its answer to the complaint?</p> <p>22 MR. BRAGDON: Objection, form. You can</p>

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<p style="text-align: right;">17</p> <p>1 answer.</p> <p>2 <b>A I guess we've already provided a response.</b></p> <p>3 BY MR. LEVINE:</p> <p>4 Q Yes, but you've been designated, issue</p> <p>5 number 3 on the notice of deposition says "Each fact</p> <p>6 learned by NextGear subsequent to the filing of its</p> <p>7 answer to the complaint that enables NextGear to</p> <p>8 either admit or deny an allegation in the complaint</p> <p>9 to which it previously answered that it lacks</p> <p>10 sufficient knowledge or information with which to</p> <p>11 admit or deny such allegation in the complaint."</p> <p>12 In other words, NextGear's answer to</p> <p>13 paragraph 9 of the complaint, you're here for that,</p> <p>14 you've been designated on that, correct?</p> <p>15 MR. BRAGDON: Objection, asked and</p> <p>16 answered. I'll just point out NextGear's attorneys</p> <p>17 are also investigating. He won't be testifying about</p> <p>18 any investigation the attorneys have done or what the</p> <p>19 attorneys' trial strategy is.</p> <p>20 MR. LEVINE: He's testified that he's here</p> <p>21 for all of these designations.</p> <p>22 MR. BRAGDON: Yes.</p>	<p style="text-align: right;">19</p> <p>1 <b>A Okay.</b></p> <p>2 Q Have you seen this document before?</p> <p>3 <b>A I have glanced at it, yes.</b></p> <p>4 Q Okay. When did you glance at it?</p> <p>5 <b>A This morning.</b></p> <p>6 Q And that was the first time?</p> <p>7 <b>A Yes.</b></p> <p>8 Q Do you have any facts that would change any</p> <p>9 of NextGear's answers?</p> <p>10 <b>A No.</b></p> <p>11 Q In that answer to the complaint?</p> <p>12 <b>A No.</b></p> <p>13 Q You're not aware of any facts that would</p> <p>14 change NextGear's answer?</p> <p>15 <b>A No.</b></p> <p>16 Q Have you ever done any investigation to</p> <p>17 determine whether any answers need to be --</p> <p>18 <b>A I was directly involved with everything, so</b></p> <p>19 <b>yes.</b></p> <p>20 Q Okay. So just for the court reporter's</p> <p>21 sake and for my sake, try to let me finish my</p> <p>22 question. Sometimes I'll pause before the end and</p>
<p style="text-align: right;">18</p> <p>1 MR. LEVINE: So I need to establish that he</p> <p>2 actually knows something that he can testify on these</p> <p>3 designations. Otherwise, someone else is going to</p> <p>4 have to be deposed and I'm going to keep the</p> <p>5 deposition open until we get the right person.</p> <p>6 MR. BRAGDON: Ask him what he knows.</p> <p>7 MR. LEVINE: We're getting there, okay?</p> <p>8 MR. BRAGDON: I'm just making the point</p> <p>9 that NextGear is being represented by attorneys who</p> <p>10 are also -- the way that topic is worded I think is a</p> <p>11 little broad. That's all I'm saying. So we object,</p> <p>12 and we mention that. He would not know the trial</p> <p>13 strategy.</p> <p>14 MR. LEVINE: You didn't submit any written</p> <p>15 objection to the designation. So we're here today.</p> <p>16 He's been designated. He's your guy.</p> <p>17 (NextGear Exhibit 2 was marked for</p> <p>18 identification and attached to the deposition</p> <p>19 transcript.)</p> <p>20 BY MR. LEVINE:</p> <p>21 Q I would like you to take a look at what's</p> <p>22 been marked NextGear Exhibit 2.</p>	<p style="text-align: right;">20</p> <p>1 you'll want to give an answer, and that's fine, but</p> <p>2 it will be easier if you wait until I finish my</p> <p>3 question before you give your answer.</p> <p>4 <b>A Okay.</b></p> <p>5 Q So you were directly involved in helping</p> <p>6 prepare the answer?</p> <p>7 <b>A No.</b></p> <p>8 Q Okay. What were you directly involved in?</p> <p>9 <b>A As far as looking for the collateral</b></p> <p>10 <b>inventory.</b></p> <p>11 Q And so what was your involvement?</p> <p>12 <b>A So once we discovered that they had</b></p> <p>13 <b>defaulted and had moved the vehicles, we went to --</b></p> <p>14 <b>we keep a record of every audit. So we went to every</b></p> <p>15 <b>place that we had conducted an audit and verified a</b></p> <p>16 <b>vehicle. We actually have -- so we visited every --</b></p> <p>17 <b>every gas station, every dealership in the area,</b></p> <p>18 <b>basically, looking for inventory.</b></p> <p>19 Q Okay. When you say "they defaulted," who</p> <p>20 are you referring to?</p> <p>21 <b>A Baltimore-Washington.</b></p> <p>22 Q Okay. And when did you discover that they</p>



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21	<p>1 had defaulted?</p> <p>2 <b>A It was in April. I don't have the exact</b></p> <p>3 <b>date. I just know I was contacted on a Monday night.</b></p> <p>4 <b>I visited the lot on a Tuesday morning. And there</b></p> <p>5 <b>were 13 cars on the lot out of 63.</b></p> <p>6 Q Okay. Was this on or about April 16th or</p> <p>7 17th?</p> <p>8 <b>A Yes, I would say that.</b></p> <p>9 Q And did you personally go look for the</p> <p>10 vehicles?</p> <p>11 <b>A Yes.</b></p> <p>12 Q Did anyone go with you?</p> <p>13 <b>A No. A couple of times myself and Lisa rode</b></p> <p>14 <b>together. She's actually from out of town, so she</b></p> <p>15 <b>would come into town. We rode. But basically I was</b></p> <p>16 <b>by myself. We had some other people in the area by</b></p> <p>17 <b>themselves.</b></p> <p>18 Q Okay. Anybody from Manheim go with you?</p> <p>19 <b>A Yes.</b></p> <p>20 Q Who was that?</p> <p>21 <b>A I can't even recall his name right now.</b></p> <p>22 <b>But yes, a representative did come. I just can't</b></p>	23	<p>1 <b>discovered that the vehicles were missing.</b></p> <p>2 Q So it was April of 2014, not March of 2014?</p> <p>3 <b>A April or March. That's what I'm saying. I</b></p> <p>4 <b>don't have the exact dates. I don't recall.</b></p> <p>5 Q Okay. Now, you said you spoke with Lisa</p> <p>6 Long about this matter?</p> <p>7 <b>A Correct.</b></p> <p>8 Q What conversations did you have with her?</p> <p>9 <b>A So as soon as I discovered our vehicles</b></p> <p>10 <b>were missing, I called her and let her know how much</b></p> <p>11 <b>inventory we had missing at the time. Continued to</b></p> <p>12 <b>attempt to contact Molavi, who was the owner.</b></p> <p>13 <b>Actually, it was sitting with Alex, who was the</b></p> <p>14 <b>general manager at the time.</b></p> <p>15 Q You went to --</p> <p>16 <b>A I went to the dealership.</b></p> <p>17 Q -- visit him --</p> <p>18 MR. BRAGDON: Just let him finish his</p> <p>19 question.</p> <p>20 BY MR. LEVINE:</p> <p>21 Q So you went to BW Auto and spoke with</p> <p>22 Mr. Molavi and Alex Mahdavi?</p>
22	<p>1 <b>recall his name.</b></p> <p>2 Q And what was Manheim going with you to look</p> <p>3 for the cars for?</p> <p>4 <b>A Manheim actually had a lawsuit as well. It</b></p> <p>5 <b>started with Manheim. There were -- they extended a</b></p> <p>6 <b>line above our credit line about 300,000. We had</b></p> <p>7 <b>what we called a 30-day float at the time. And</b></p> <p>8 <b>within those 30 days, the vehicle was not paid or</b></p> <p>9 <b>that 300,000 was not paid.</b></p> <p>10 <b>So actually 60 days, Manheim contacted</b></p> <p>11 <b>them, let them know pretty much that they were going</b></p> <p>12 <b>to be defaulted and repo'd.</b></p> <p>13 Q How do you know Manheim contacted them?</p> <p>14 <b>A I was told by Molavi.</b></p> <p>15 Q By who?</p> <p>16 <b>A Molavi, the owner of Baltimore-Washington.</b></p> <p>17 Q Okay. And when was that?</p> <p>18 <b>A That Tuesday morning. Actually Wednesday.</b></p> <p>19 Q When did Manheim contact BWA to inform them</p> <p>20 of the default?</p> <p>21 <b>A That was Monday night, the 15th of April or</b></p> <p>22 <b>16th. Then I went there Tuesday morning and</b></p>	24	<p>1 <b>A Can I answer now?</b></p> <p>2 Q Yes.</p> <p>3 MR. BRAGDON: Sorry.</p> <p>4 <b>A So Molavi was not there. I actually spoke</b></p> <p>5 <b>with Alex Mahdavi.</b></p> <p>6 BY MR. LEVINE:</p> <p>7 Q Okay.</p> <p>8 <b>A Alex -- Molavi did not respond via</b></p> <p>9 <b>telephone that day. I actually went to the house the</b></p> <p>10 <b>next day.</b></p> <p>11 Q What's Mr. Molavi's first name?</p> <p>12 <b>A Khazeyer Molavi.</b></p> <p>13 Q Does he go by another name?</p> <p>14 <b>A I just call him Molavi.</b></p> <p>15 Q Okay. And what did -- when you met with</p> <p>16 Alex Mahdavi, what did he say to you?</p> <p>17 <b>A He basically had his hands in the air. He</b></p> <p>18 <b>acted like he didn't know what was going on.</b></p> <p>19 <b>Basically said, you know, get in contact with Molavi.</b></p> <p>20 <b>And he provided me at the time I guess about 20 bill</b></p> <p>21 <b>of sales, as I was doing my inventory. And then I</b></p> <p>22 <b>guess the additional remaining vehicles, he said he</b></p>

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<p style="text-align: right;">25</p> <p>1 <b>did not know where they were.</b></p> <p>2 Q Okay. You say he acted like he didn't know</p> <p>3 what was going on.</p> <p>4 A Mm-hmm.</p> <p>5 Q So you didn't believe him?</p> <p>6 A Alex ran day-to-day operations, so I</p> <p>7 actually never spoke with Molavi. Maybe occasionally</p> <p>8 I would stop by, Molavi was there, we would shoot the</p> <p>9 breeze a little bit. But pretty much on the</p> <p>10 business, I dealt with Alex daily.</p> <p>11 Q But my question is, you didn't believe him</p> <p>12 when he was acting like he didn't know what was going</p> <p>13 on?</p> <p>14 A Correct. I did not.</p> <p>15 Q Okay. And what information do you have</p> <p>16 that would show that he did know what was going on,</p> <p>17 other than the fact that his position as the</p> <p>18 day-to-day -- running the day-to-day operations?</p> <p>19 A I wouldn't have any -- I didn't have</p> <p>20 anything else besides that he was involved in the</p> <p>21 day-to-day actions.</p> <p>22 Q Today, do you have any other information</p>	<p style="text-align: right;">27</p> <p>1 Q You assume?</p> <p>2 A I mean, I'm sure that we have falsified</p> <p>3 titles. I'll say that.</p> <p>4 Q And how do you know the titles are</p> <p>5 falsified?</p> <p>6 A Because we have the originals still in our</p> <p>7 files. The other part was I actually -- and again,</p> <p>8 I'm not good with dates, I don't have the dates down,</p> <p>9 but I actually went to the hearing with the MVA, who</p> <p>10 they met with the head of investigations with the</p> <p>11 MVA, who was Mr. Sherman.</p> <p>12 Q When was this?</p> <p>13 A This would have had to be in I would say</p> <p>14 May, early May. This happened in April.</p> <p>15 Q And you say it was a hearing?</p> <p>16 A Yes, a deposition for them as well.</p> <p>17 Q Who was deposed?</p> <p>18 A It was Molavi and Alex actually had to</p> <p>19 appear. I wasn't allowed to sit in on it, so I don't</p> <p>20 have any particulars. But when I met them there, I</p> <p>21 talked to Mr. Sherman, and he had basically let us</p> <p>22 know they had produced some titles. They actually</p>
<p style="text-align: right;">26</p> <p>1 that would show that he knew what was going on with</p> <p>2 the -- what you claim is moving the vehicles around?</p> <p>3 MR. BRAGDON: I'm just going to object to</p> <p>4 the extent that information has been provided</p> <p>5 formally in this case. He's reviewed those</p> <p>6 submissions as well.</p> <p>7 A So at this time -- I'm not sure. I don't</p> <p>8 think -- I don't believe so.</p> <p>9 BY MR. LEVINE:</p> <p>10 Q Okay. So other than the fact that Alex ran</p> <p>11 the day-to-day operations, you're not aware of any</p> <p>12 facts that would show that he knew about any scheme</p> <p>13 by BW Auto to defraud NextGear?</p> <p>14 MR. BRAGDON: Objection. Same objection as</p> <p>15 before.</p> <p>16 A I would say yes to that question, that --</p> <p>17 yes, that I -- I definitely think that we have some</p> <p>18 things that show that he was involved in the fraud.</p> <p>19 BY MR. LEVINE:</p> <p>20 Q And what are those things?</p> <p>21 A I would assume that we have falsified</p> <p>22 titles.</p>	<p style="text-align: right;">28</p> <p>1 was supposed to have been cut off from doing that.</p> <p>2 But he wasn't sure at the time how they got activated</p> <p>3 in the system.</p> <p>4 Q Okay. So Mr. Sherman is an investigator</p> <p>5 for the --</p> <p>6 A Yes, he's actually the head of</p> <p>7 investigations for the MVA.</p> <p>8 Q And that would be the Maryland --</p> <p>9 A Maryland Vehicle Association.</p> <p>10 MR. BRAGDON: If it helps, I think what</p> <p>11 he's referring to is the replevin hearing.</p> <p>12 BY MR. LEVINE:</p> <p>13 Q And did Mr. Sherman provide documents to</p> <p>14 NextGear on that issue of --</p> <p>15 A Not at that time. I don't know if we</p> <p>16 gathered anything since then, but not at that time,</p> <p>17 no. Like I said, I wasn't able to go into the</p> <p>18 hearing.</p> <p>19 Q And was Mr. Sherman deposed, do you know?</p> <p>20 A No, I do not know. When you say</p> <p>21 "deposed" -- I'm sorry. He was the one holding the</p> <p>22 meetings.</p>



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<p style="text-align: right;">29</p> <p>1 Q Mr. Sherman held the meeting?</p> <p>2 A Yes.</p> <p>3 Q Was this in court?</p> <p>4 A This was actually at the MVA, at their</p> <p>5 office.</p> <p>6 Q At the MVA?</p> <p>7 A Yes. Maryland Vehicle Association.</p> <p>8 Q And who at NextGear was involved in the</p> <p>9 investigation with the MVA?</p> <p>10 A Myself just appeared.</p> <p>11 Q So you worked with Mr. Sherman?</p> <p>12 A On occasion. He'll contact me in reference</p> <p>13 to different dealers, or I'll contact him as well, if</p> <p>14 dealers have some issues or some outstanding titles.</p> <p>15 Q Okay. But you communicated directly with</p> <p>16 Mr. Sherman --</p> <p>17 A Yes, I communicated with --</p> <p>18 Q -- regarding the BW Auto --</p> <p>19 A Yes.</p> <p>20 Q -- title issues?</p> <p>21 A Yes.</p> <p>22 Q And what did Mr. Sherman tell you about the</p>	<p style="text-align: right;">31</p> <p>1 Q Has anyone at NextGear had contact with him</p> <p>2 about the BW Auto titles?</p> <p>3 A Yes. Yes. I think that Lisa did speak</p> <p>4 with him momentarily, but I know that she was saying</p> <p>5 that he did not follow up.</p> <p>6 Q She told you that Mr. Sherman did not</p> <p>7 follow up with her?</p> <p>8 A With her, yes.</p> <p>9 Q When did she tell you this?</p> <p>10 A I know there was a few emails outstanding.</p> <p>11 I guess about three weeks ago.</p> <p>12 Q There are emails between NextGear and</p> <p>13 Mr. Sherman at the MVA?</p> <p>14 A Yes.</p> <p>15 Q And these emails are about possible</p> <p>16 fraudulent titles procured by BW Auto?</p> <p>17 A Correct.</p> <p>18 Q Has NextGear produced any of these emails</p> <p>19 in this litigation that you're aware of?</p> <p>20 A I'm not sure, no.</p> <p>21 Q Do these emails still exist?</p> <p>22 A I would assume so.</p>
<p style="text-align: right;">30</p> <p>1 titles that you were questioning?</p> <p>2 A So at the time he had a number of</p> <p>3 outstanding titles. He was trying to get an idea of</p> <p>4 what was legal buy or purchase versus what was</p> <p>5 fraudulent that was outstanding.</p> <p>6 Q Okay. And Mr. Sherman said that some of</p> <p>7 the titles were fraudulent?</p> <p>8 A Yes.</p> <p>9 Q Did he identify which titles were</p> <p>10 fraudulent?</p> <p>11 A No, he did not. I provided him a list of</p> <p>12 what we had on file, a list of our titles.</p> <p>13 Q Have you spoken with Mr. Sherman since this</p> <p>14 meeting?</p> <p>15 A I have not, no.</p> <p>16 Q Has Mr. Sherman provided any documents to</p> <p>17 NextGear subsequent to your meeting with him?</p> <p>18 A I do not believe so.</p> <p>19 Q Has Mr. Sherman stated what the results of</p> <p>20 his investigation were?</p> <p>21 A No. Like I said, I haven't had contact</p> <p>22 with him.</p>	<p style="text-align: right;">32</p> <p>1 Q Were you copied on these emails?</p> <p>2 A No.</p> <p>3 Q So are these just between Lisa Long and</p> <p>4 Mr. Sherman at the MVA?</p> <p>5 A I'm not sure who was copied on it.</p> <p>6 Q But that's who was communicating?</p> <p>7 A Yes.</p> <p>8 Q You don't know Mr. Sherman's first name?</p> <p>9 A I do.</p> <p>10 Q And what's his first name?</p> <p>11 A Actually, Sherman Schwartz is his name.</p> <p>12 Q Is that S-C-H-W-A-R-T-Z?</p> <p>13 A Yes.</p> <p>14 Q And what's Mr. Schwartz's phone number?</p> <p>15 A 410-768-7536.</p> <p>16 Q And do you have a business address for</p> <p>17 Mr. Sherman?</p> <p>18 A I do not. He's at Glen Burnie, the MVA at</p> <p>19 Glen Burnie. I don't have the address, though.</p> <p>20 Q Do you know his title?</p> <p>21 A Investigations.</p> <p>22 (NextGear Exhibit 3 was marked for</p>

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<p style="text-align: right;">33</p> <p>1 <b>identification and attached to the deposition</b> 2 <b>transcript.)</b> 3 BY MR. LEVINE: 4 Q Take a look at that, please. Do you 5 recognize that document? 6 A Yes. 7 Q Have you seen it before? 8 A Yes. 9 Q And are all the answers true and correct to 10 the best of your knowledge? 11 A Yes. 12 Q Did you participate in providing 13 information to respond to the interrogatories? 14 A No. 15 <b>(NextGear Exhibit 4 was marked for</b> 16 <b>identification and attached to the deposition</b> 17 <b>transcript.)</b> 18 BY MR. LEVINE: 19 Q Take a moment and review that document, 20 please, that's been marked as NextGear 4. 21 Have you had a chance to review that? 22 A Yes.</p>	<p style="text-align: right;">35</p> <p>1 <b>trying to get in contact with Molavi to find out</b> 2 <b>where the vehicles were. As I said, I probably sat</b> 3 <b>in the office with Alex for probably about two or</b> 4 <b>three hours, waiting for a response from Molavi. At</b> 5 <b>that time, I actually left and then I drove down to</b> 6 <b>Molavi's home the next morning.</b> 7 Q Okay. When you sat with Alex for two to 8 three hours, what did you guys talk about? 9 A <b>How did he get in the situation. At that</b> 10 <b>time, he disclosed that Molavi may have a gambling</b> 11 <b>problem. And he was gathering up my bill of sales at</b> 12 <b>the time.</b> 13 Q Okay. And he provided all the bills of 14 sale to you? 15 A <b>Well, 20 at the time.</b> 16 Q 20? 17 A <b>20.</b> 18 Q Did that include the bill of sale for the 19 BMW? 20 A <b>No.</b> 21 Q What else did Alex tell you when you were 22 with him?</p>
<p style="text-align: right;">34</p> <p>1 Q Okay. Have you seen that document before? 2 A Yes. 3 Q And are all the responses true and accurate 4 to the best of your knowledge? 5 A Yes. 6 Q Did you see the documents that NextGear 7 produced in response to those requests for production 8 of documents? 9 A Yes. 10 Q Are there any additional documents that 11 NextGear needs to produce in response? 12 MR. BRAGDON: Objection. You can answer. 13 A No. 14 BY MR. LEVINE: 15 Q So you stated earlier that you had a 16 conversation with Lisa Long, that you informed her 17 that the vehicles were missing, you informed her of 18 the situation? 19 A Yes. 20 Q And what other conversations did you have 21 with Ms. Long about BW Auto and the -- 22 A <b>So at that point, we were basically just</b></p>	<p style="text-align: right;">36</p> <p>1 A <b>That was pretty much it.</b> 2 Q Did you ask him about the BMW during this 3 meeting? 4 A <b>Not specifically, no. It was -- like I</b> 5 <b>said, we had, what, 63 units, 13, so we were missing</b> 6 <b>50-something units. So no, I just asked where the</b> 7 <b>majority of the vehicles were.</b> 8 Q And what did he tell you? 9 A <b>He said, "I don't know, I'll have to speak</b> 10 <b>with Molavi."</b> 11 Q Are you aware of any facts as we sit here 12 today that would show that Alex knew where the 13 vehicles were located? 14 MR. BRAGDON: Objection. You can answer. 15 A <b>Well, we actually located the one at his</b> 16 <b>house so -- that he didn't know where one of the</b> 17 <b>vehicles were.</b> 18 BY MR. LEVINE: 19 Q But you said that you didn't ask him 20 specifically about the BMW. 21 A <b>No, I said vehicles in general. So</b> 22 <b>rephrase the question. If I understand --</b></p>

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37	<p>1 Q Are you aware of any facts that would show</p> <p>2 that Alex did know where the vehicles were?</p> <p>3 A So the facts that say he did know? So not</p> <p>4 all of them, but in reference to that 645, like I</p> <p>5 said, we actually were visiting their homes and prior</p> <p>6 addresses where we had verified vehicles before. And</p> <p>7 that's when we discovered the 645 at his house. So</p> <p>8 he would have known where the vehicle was.</p> <p>9 Q When you say "the 645," you mean --</p> <p>10 A The BMW.</p> <p>11 Q What do you mean when you say you had</p> <p>12 discovered vehicles at his home before?</p> <p>13 A So I didn't say at his home before. I said</p> <p>14 we visited every dealership or place where a vehicle</p> <p>15 had been verified via our audit. So gas stations,</p> <p>16 prior dealerships. We visited Molavi's home and his</p> <p>17 home. That's when we discovered the BMW at his</p> <p>18 house. So we visited the dealer's home. Anybody</p> <p>19 involved in that dealership, we actually visited</p> <p>20 their place of residence.</p> <p>21 Q And that is just in relation to the current</p> <p>22 loan default by BW Auto?</p>	39	<p>1 That's when we had someone else go by to verify.</p> <p>2 Q And what were the other two vehicles</p> <p>3 besides the BMW?</p> <p>4 A If I can remember correctly, there was a</p> <p>5 truck that was receivable. It was a pickup truck and</p> <p>6 an Expedition.</p> <p>7 Q Were either of those vehicles what you</p> <p>8 would consider to be NextGear's vehicles?</p> <p>9 A That's what I said, we didn't get a chance</p> <p>10 to verify, there were some people out or something</p> <p>11 like that, so he did not stop to verify the VIN</p> <p>12 number at that time.</p> <p>13 Q And today do you know whether those other</p> <p>14 two vehicles are considered NextGear vehicles?</p> <p>15 A No, we never confirmed that, no.</p> <p>16 Q So they've not been repossessed?</p> <p>17 A No. They're still missing.</p> <p>18 Q How many vehicles has NextGear recovered of</p> <p>19 the ones that were missing in this situation?</p> <p>20 A So at the time, we collected 13 vehicles.</p> <p>21 Since the initial 13, I want to say three more.</p> <p>22 Q The 13 that were initially recovered, where</p>
38	<p>1 A Correct.</p> <p>2 Q Not on prior occasions?</p> <p>3 A No. Not on prior occasions.</p> <p>4 Q So this was the first time that NextGear</p> <p>5 had gone to Alex's house?</p> <p>6 A Correct.</p> <p>7 Q Okay. And at the time -- who went to</p> <p>8 Alex's house?</p> <p>9 A Actually, I had gone there the day before,</p> <p>10 a couple of days. He and Molavi live like a block</p> <p>11 from one another. So actually that night we</p> <p>12 discovered, he had I think John Goodyear, who is one</p> <p>13 of our collectors, was in town helping, and he</p> <p>14 actually went by the home and located that vehicle.</p> <p>15 Q And this is April of 2014?</p> <p>16 A Correct.</p> <p>17 Q And did you talk to Mr. Goodyear about what</p> <p>18 he saw when he went to the home?</p> <p>19 A Basically that -- it was like, if I</p> <p>20 remember correctly, it was probably three vehicles</p> <p>21 that were there, that we thought were ours, but he</p> <p>22 didn't get a chance to verify the VIN numbers.</p>	40	<p>1 were they recovered from?</p> <p>2 A From the lot, from Baltimore Washington's</p> <p>3 lot.</p> <p>4 Q And you've recovered three more?</p> <p>5 A Three more since then, yes.</p> <p>6 Q And which vehicles are those?</p> <p>7 A No idea.</p> <p>8 Q And where were they recovered?</p> <p>9 A He actually brought a couple of them back</p> <p>10 to the lot for us to pick up.</p> <p>11 Q Who did?</p> <p>12 A I'm assuming Molavi. I'm not sure who had</p> <p>13 them brought back.</p> <p>14 Q Okay. So he assisted in NextGear</p> <p>15 recovering the vehicles?</p> <p>16 A Yes.</p> <p>17 Q Other than the BMW, were any other vehicles</p> <p>18 repossessed at somebody's home?</p> <p>19 A No. No other vehicles were located.</p> <p>20 Q No other vehicles were located?</p> <p>21 A No.</p> <p>22 Q Okay. And the BMW at Mrs. Mahdavi's home,</p>

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<p style="text-align: right;">41</p> <p>1 at the time it was taken, was it parked in the</p> <p>2 driveway?</p> <p>3 <b>A I'm assuming so. I wasn't there.</b></p> <p>4 Q It wasn't concealed in any way?</p> <p>5 <b>A No.</b></p> <p>6 Q It was out in the open?</p> <p>7 <b>A Yes.</b></p> <p>8 Q But on her property?</p> <p>9 <b>A Yes.</b></p> <p>10 Q Did Mr. Mahdavi provide any assistance in</p> <p>11 recovering any of the vehicles?</p> <p>12 <b>A No.</b></p> <p>13 Q Are you aware of any steps that Mr. Mahdavi</p> <p>14 took to conceal the location of the vehicles?</p> <p>15 <b>A No.</b></p> <p>16 Q Was anyone at NextGear aware of any steps</p> <p>17 Mr. Mahdavi took to conceal the location of any of</p> <p>18 the vehicles?</p> <p>19 <b>A Not that I'm aware of.</b></p> <p>20 Q Are you aware of what Mr. Mahdavi's</p> <p>21 specific role would have been in obtaining what you</p> <p>22 called fraudulent titles?</p>	<p style="text-align: right;">43</p> <p>1 Q I'm going to ask you about Mrs. Mahdavi's</p> <p>2 purchase of the BMW.</p> <p>3 <b>A Okay.</b></p> <p>4 Q And tell me what you know about her</p> <p>5 purchase of the BMW.</p> <p>6 <b>A So we were not made aware that the vehicle</b></p> <p>7 <b>was supposed to have been purchased until after it</b></p> <p>8 <b>was repossessed. Again, I spoke with Mahdavi during</b></p> <p>9 <b>the time of the default.</b></p> <p>10 <b>And he never made mention of that 645 being</b></p> <p>11 <b>purchased or the location of it. Once the vehicle</b></p> <p>12 <b>was repossessed and we were made aware that it was</b></p> <p>13 <b>supposed to have been purchased, a couple of things</b></p> <p>14 <b>that we had noticed on the bill of sale, it was</b></p> <p>15 <b>actually purchased by Ms. Mahdavi prior to it being</b></p> <p>16 <b>floor planned, meaning before we actually did the</b></p> <p>17 <b>financing for it, which, again, is illegal.</b></p> <p>18 <b>I guess the second part of that, once we</b></p> <p>19 <b>saw the registration, it was actually registered to</b></p> <p>20 <b>not their address, but a wholesale office that he had</b></p> <p>21 <b>had in the past.</b></p> <p>22 Q Who is "he"?</p>
<p style="text-align: right;">42</p> <p>1 MR. BRAGDON: Objection to form. You can</p> <p>2 answer.</p> <p>3 <b>A He was in charge of financing. So to</b></p> <p>4 <b>process a loan, pretty much he did all the paperwork.</b></p> <p>5 BY MR. LEVINE:</p> <p>6 Q Okay.</p> <p>7 <b>A So I would assume that he was the one who</b></p> <p>8 <b>was actually pulling those titles. He would actually</b></p> <p>9 <b>pull them through the system.</b></p> <p>10 Q Okay. But you don't actually know, you</p> <p>11 don't have any facts?</p> <p>12 MR. BRAGDON: Objection. He just provided</p> <p>13 some facts.</p> <p>14 BY MR. LEVINE:</p> <p>15 Q Other than his position, are you aware of</p> <p>16 his direct involvement in obtaining fraudulent car</p> <p>17 titles?</p> <p>18 <b>A No.</b></p> <p>19 Q Is anyone at NextGear aware of</p> <p>20 Mr. Mahdavi's direct involvement in obtaining</p> <p>21 fraudulent car titles?</p> <p>22 <b>A Not that I'm aware of.</b></p>	<p style="text-align: right;">44</p> <p>1 <b>A Mr. Mahdavi. It was actually under her</b></p> <p>2 <b>name. I want to say it was in Temple Hills, but I</b></p> <p>3 <b>don't have the exact address. Basically their</b></p> <p>4 <b>residence address was not used on the bill of sale.</b></p> <p>5 Q And what did that tell you?</p> <p>6 <b>A That there was something being concealed.</b></p> <p>7 Q When did you learn of this?</p> <p>8 <b>A After the car had been picked up, once they</b></p> <p>9 <b>disclosed that they had purchased the vehicle. So</b></p> <p>10 <b>this was provided I'm assuming by them, by</b></p> <p>11 <b>Mr. Mahdavi. They forwarded us I think the bill of</b></p> <p>12 <b>sale.</b></p> <p>13 Q What did NextGear do independently prior to</p> <p>14 repossessing the BMW to determine whether it had been</p> <p>15 transferred to Mrs. Mahdavi?</p> <p>16 MR. BRAGDON: Objection. You can answer.</p> <p>17 <b>A Like I said, we weren't aware of any</b></p> <p>18 <b>vehicles. So when we take our receivable list, I had</b></p> <p>19 <b>marked off what was supposed to have been sold.</b></p> <p>20 <b>Anything on that inventory list, we can pick up, we</b></p> <p>21 <b>have UCC to those vehicles.</b></p> <p>22 BY MR. LEVINE:</p>

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<p style="text-align: right;">45</p> <p>1 Q So the BMW was on your inventory list?</p> <p>2 A Correct.</p> <p>3 Q And other than looking at the inventory</p> <p>4 list, did you do anything to determine whether any of</p> <p>5 the vehicles had been sold?</p> <p>6 A No.</p> <p>7 Q Do you know whether anyone at NextGear did</p> <p>8 anything to see whether any of the vehicles on the</p> <p>9 inventory list had been sold?</p> <p>10 A Well, I guess when you say had they been</p> <p>11 sold, again, I spoke with Mr. -- with Alex for two</p> <p>12 hours. He provided me 20 bill of sales at that time.</p> <p>13 So that was not disclosed at that time. So if it was</p> <p>14 sold at that time, it actually was sold I want to say</p> <p>15 in March, early March. So it wasn't disclosed to us</p> <p>16 at that time that it was sold.</p> <p>17 Q Did you provide Alex with a list of cars --</p> <p>18 A Yes. Yes.</p> <p>19 Q And the BMW was on the list of receivables?</p> <p>20 A Yes.</p> <p>21 Q And so you asked him to get bills of sale</p> <p>22 for the BMW?</p>	<p style="text-align: right;">47</p> <p>1 A Yes.</p> <p>2 Q And when did you become the account</p> <p>3 executive for them?</p> <p>4 A I've been dealing with them since 2008, I</p> <p>5 want to say.</p> <p>6 Q Okay. And other than the recent issues</p> <p>7 with their default, have there be any other issues</p> <p>8 with BW Auto?</p> <p>9 A No other issues.</p> <p>10 Q And the BW Auto's loan, Mr. Mahdavi is not</p> <p>11 on that loan, is he?</p> <p>12 A No.</p> <p>13 Q Are you aware of what the relationship</p> <p>14 between Mr. Mahdavi and Mr. Molavi is?</p> <p>15 A I do not, no.</p> <p>16 Q Mr. Mahdavi is not an owner of BW Auto, is</p> <p>17 he?</p> <p>18 A He's not on the contract.</p> <p>19 Q When did BW Auto first notify -- excuse me.</p> <p>20 Strike that. When did NextGear first notify BW Auto</p> <p>21 that it was in default on its loan?</p> <p>22 A So that day, I guess the 16th or 17th,</p>
<p style="text-align: right;">46</p> <p>1 A I asked him to get whatever was sold. So</p> <p>2 any vehicle, out of the 63 units, provide us with a</p> <p>3 bill of sale that whatever you have sold. So go</p> <p>4 through your records, give us a bill of sale on</p> <p>5 whatever you have sold at that time.</p> <p>6 Q Okay.</p> <p>7 A So it was not disclosed at that time.</p> <p>8 Again, it was not disclosed until after the car was</p> <p>9 repossessed.</p> <p>10 Q I understand that. My question is, without</p> <p>11 it being disclosed, is there any way NextGear could</p> <p>12 have known independently?</p> <p>13 A No, there's no way.</p> <p>14 Q You can't check the MVA records on your</p> <p>15 own?</p> <p>16 A We don't have access to MVA records.</p> <p>17 Again, that's when usually Sherman, he'll contact us</p> <p>18 if there's a problem. If he gets an MVA complaint,</p> <p>19 it usually comes from a customer, is how he knows</p> <p>20 there's trouble.</p> <p>21 Q Were you the account executive for BW</p> <p>22 Auto's loan with NextGear?</p>	<p style="text-align: right;">48</p> <p>1 whatever that Tuesday was.</p> <p>2 Q Of April 2014?</p> <p>3 A Yes. So whenever -- whenever I was there</p> <p>4 and there was only 13 vehicles on the lot, it was</p> <p>5 either "Hey, where are our cars," or "You need to pay</p> <p>6 us." So at the time, Mr. Molavi said he didn't know</p> <p>7 where the cars were, he sold them all, he hid them,</p> <p>8 whatever he did. He said that --</p> <p>9 Q I'm sorry. Mr. Molavi or Mr. Mahdavi said</p> <p>10 that?</p> <p>11 A Mr. Molavi. When I visited him at his</p> <p>12 house, he would not disclose where the vehicles were.</p> <p>13 Q Okay.</p> <p>14 A But he just asked for 30 days, and he would</p> <p>15 try to make everything whole.</p> <p>16 Q Okay. And what did Mr. Molavi tell you</p> <p>17 when you visited him at his house?</p> <p>18 A In reference to?</p> <p>19 Q The loan.</p> <p>20 A Again, he just basically said he needed</p> <p>21 some time, "Dave, can I get some time, about 30</p> <p>22 days."</p>



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49	<p>1 Q Did he say that he concealed the vehicles?</p> <p>2 A <b>He said he would not tell me where they</b></p> <p>3 <b>were.</b></p> <p>4 Q Okay. Did he --</p> <p>5 A <b>He said he did have the vehicles moved,</b></p> <p>6 <b>yes.</b></p> <p>7 Q Mr. Molavi said he had them moved?</p> <p>8 A <b>He said he had the vehicles moved, but he</b></p> <p>9 <b>would not disclose where they were.</b></p> <p>10 Q Okay. Did he tell you who helped move</p> <p>11 them?</p> <p>12 A <b>No.</b></p> <p>13 Q Did he say that Mr. Mahdavi helped him?</p> <p>14 A <b>He didn't say anyone helped him. But I do</b></p> <p>15 <b>know Mr. Mahdavi was there the night they got moved,</b></p> <p>16 <b>because I just spoke with him on the phone.</b></p> <p>17 Q Where is "there"?</p> <p>18 A <b>So I called the office, and I was actually</b></p> <p>19 <b>on the phone with Alex that evening.</b></p> <p>20 Q You called -- he was at BW Auto?</p> <p>21 A <b>Yes. I talked to him on the phone at BW</b></p> <p>22 <b>Auto.</b></p>	51	<p>1 weekend?</p> <p>2 A <b>No.</b></p> <p>3 Q Did you go to the lot on Monday?</p> <p>4 A <b>No.</b></p> <p>5 Q You went to the lot on Tuesday?</p> <p>6 A <b>Tuesday.</b></p> <p>7 Q And the lot was completely empty on</p> <p>8 Tuesday?</p> <p>9 A <b>It had 13 vehicles.</b></p> <p>10 Q Only 13?</p> <p>11 A <b>Yes.</b></p> <p>12 Q And how many vehicles were on the lot the</p> <p>13 Friday before?</p> <p>14 A <b>I would say 65, 70. 70 vehicles.</b></p> <p>15 Q Okay. And what conversation was with</p> <p>16 Manheim on Monday?</p> <p>17 A <b>So that's when I guess they were trying to</b></p> <p>18 <b>collect on the 300,000 that they were defaulted on.</b></p> <p>19 Q Okay. Who communicated with BW Auto, who</p> <p>20 from Manheim communicated with BW Auto?</p> <p>21 A <b>I don't have his name. Let me see if I</b></p> <p>22 <b>have that here. Yeah, I don't have his name.</b></p>
50	<p>1 Q And you say the night that they were moved?</p> <p>2 A <b>So I got there Tuesday morning.</b></p> <p>3 Q Yes.</p> <p>4 A <b>And that's where the cars -- I'm assuming</b></p> <p>5 <b>they were moved that night, between that evening and</b></p> <p>6 <b>that morning.</b></p> <p>7 Q Okay. Why do you assume that?</p> <p>8 A <b>Because I go by there all the time, so the</b></p> <p>9 <b>lot was full.</b></p> <p>10 Q On what day?</p> <p>11 A <b>That Friday, as a matter of fact.</b></p> <p>12 Q Okay. And then on what day were they</p> <p>13 moved?</p> <p>14 A <b>So between Monday and Tuesday morning.</b></p> <p>15 <b>Like I said, the conversation with Manheim took place</b></p> <p>16 <b>on Monday evening.</b></p> <p>17 Q So I'm sorry, you had been by the lot the</p> <p>18 Friday before?</p> <p>19 A <b>Yes.</b></p> <p>20 Q And the lot was full?</p> <p>21 A <b>Yes.</b></p> <p>22 Q And then did you go to the lot over the</p>	52	<p>1 Q How do you know that Manheim communicated</p> <p>2 with BW Auto?</p> <p>3 A <b>When I got to Molavi's home, he had</b></p> <p>4 <b>indicated that he was on the phone, that he had spoke</b></p> <p>5 <b>with Manheim.</b></p> <p>6 Q Okay. What did Mr. Molavi tell you about</p> <p>7 his communication with Manheim?</p> <p>8 A <b>He was a little bit upset and frustrated</b></p> <p>9 <b>with Manheim. His exact words were "After 20 years</b></p> <p>10 <b>of doing business with them, they basically</b></p> <p>11 <b>threatened me."</b></p> <p>12 Q Did he tell you who he was speaking with at</p> <p>13 Manheim?</p> <p>14 A <b>He did. Again, I can't recall name.</b></p> <p>15 Q Okay. And so Manheim had its own loan to</p> <p>16 BW Auto?</p> <p>17 A <b>Correct.</b></p> <p>18 Q And it had its own collateral?</p> <p>19 A <b>Correct. The cars would be considered the</b></p> <p>20 <b>collateral.</b></p> <p>21 Q Okay. And is there overlap between the</p> <p>22 cars, the collateral that's Manheim's collateral and</p>



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<p style="text-align: right;">53</p> <p>1 that's NextGear's collateral?</p> <p>2 <b>A Is there overlap? No.</b></p> <p>3 Q They're all different cars?</p> <p>4 <b>A Yes.</b></p> <p>5 Q Manheim's cars are Manheim's cars?</p> <p>6 <b>A Correct.</b></p> <p>7 Q And your cars are NextGear's cars?</p> <p>8 <b>A Correct.</b></p> <p>9 Q Okay. And the BMW was not Manheim's car?</p> <p>10 <b>A No. It's on our receivable. You should</b></p> <p>11 <b>have actually got a copy of the receivable.</b></p> <p>12 Q Now, how did NextGear come to possess the</p> <p>13 title to the BMW?</p> <p>14 <b>A So any time the vehicle is purchased from</b></p> <p>15 <b>the auction, the title actually comes directly to</b></p> <p>16 <b>NextGear. So we actually have a title center in</b></p> <p>17 <b>Indiana. So once they make a purchase, they let them</b></p> <p>18 <b>know, I'm going to forward this with my NextGear</b></p> <p>19 <b>account. The auction will send that to us. We pay</b></p> <p>20 <b>the auction and they forward us the titles.</b></p> <p>21 Q So who was involved in the transaction for</p> <p>22 the purchase of the BMW at auction?</p>	<p style="text-align: right;">55</p> <p>1 <b>A In Manheim, Pennsylvania.</b></p> <p>2 Q Manheim, Pennsylvania. And when did the</p> <p>3 title arrive at NextGear?</p> <p>4 <b>A So usually we get the title a day or two</b></p> <p>5 <b>after the car is purchased. They overnight the</b></p> <p>6 <b>titles to us, to our headquarters.</b></p> <p>7 Q And did that happen in this case?</p> <p>8 <b>A Yes.</b></p> <p>9 Q How do you know that?</p> <p>10 <b>A Because we have the title on file.</b></p> <p>11 Q Who has the title now?</p> <p>12 <b>A We still have our title that was sent from</b></p> <p>13 <b>the auction.</b></p> <p>14 Q And who has it?</p> <p>15 <b>A It's in our -- like I said, we have a title</b></p> <p>16 <b>vault, so it's kept in the title vault.</b></p> <p>17 Q And that's in Indiana?</p> <p>18 <b>A That's in Indiana.</b></p> <p>19 Q Now, you're aware -- or are you aware that</p> <p>20 Mrs. Mahdavi took out a loan to purchase the BMW?</p> <p>21 <b>A Yes. After the car was repossessed and</b></p> <p>22 <b>this came about, yes.</b></p>
<p style="text-align: right;">54</p> <p>1 <b>A I mean -- I'm not sure of your question.</b></p> <p>2 <b>Rephrase that, please.</b></p> <p>3 Q Well, somebody had to be at the auction to</p> <p>4 purchase the BMW, correct?</p> <p>5 <b>A So you're saying who actually purchased it,</b></p> <p>6 <b>as far as from Baltimore-Washington?</b></p> <p>7 Q Yes.</p> <p>8 <b>A I'm assuming Molavi or Alex, whoever has</b></p> <p>9 <b>access to his account.</b></p> <p>10 Q Okay. But you don't know specifically?</p> <p>11 <b>A No.</b></p> <p>12 Q And do you know what date the BMW was</p> <p>13 purchased at auction?</p> <p>14 <b>A We should have provided that information.</b></p> <p>15 <b>It has exact dates on there.</b></p> <p>16 Q Okay. But you don't have an independent</p> <p>17 recollection?</p> <p>18 <b>A No. 400 cars a day.</b></p> <p>19 Q And the auction where the BMW was purchased</p> <p>20 was at Manheim?</p> <p>21 <b>A Correct. Manheim, Pennsylvania.</b></p> <p>22 Q Where in Pennsylvania is that?</p>	<p style="text-align: right;">56</p> <p>1 Q It's your understanding that she took out</p> <p>2 the loan after the car was repossessed?</p> <p>3 <b>A No, no, no. I'm saying I was made aware</b></p> <p>4 <b>after the car was repossessed that she had a loan</b></p> <p>5 <b>out.</b></p> <p>6 Q And have you been made aware that she took</p> <p>7 out the loan prior to the car being repossessed?</p> <p>8 <b>A Yes.</b></p> <p>9 Q Okay. And that loan is with Pentagon</p> <p>10 Federal Credit Union?</p> <p>11 <b>A Yes.</b></p> <p>12 Q And are you aware of any facts that would</p> <p>13 show that that loan was not a legitimate loan?</p> <p>14 MR. BRAGDON: Objection. Can I get a</p> <p>15 continuing objection on these "any facts" questions?</p> <p>16 He's not going to know counsel's trial strategy in</p> <p>17 this case. I'll just make the objection over again.</p> <p>18 MR. LEVINE: I mean, you can make the</p> <p>19 objection.</p> <p>20 MR. BRAGDON: Okay. To the extent you're</p> <p>21 asking him to summarize what facts will be used</p> <p>22 specifically at trial, he will not have that</p>

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<p style="text-align: right;">57</p> <p>1 knowledge.</p> <p>2 MR. LEVINE: I'm pretty sure that's not my</p> <p>3 question. I'm just trying to establish what facts he</p> <p>4 knows. He's here as NextGear's representative, so...</p> <p>5 <b>A I mean, I will say once I saw the paperwork</b></p> <p>6 <b>and after it was done, a couple of things I mentioned</b></p> <p>7 <b>already that we noticed. It was made prior to the</b></p> <p>8 <b>unit being floored.</b></p> <p>9 <b>So he had actually already purchased it</b></p> <p>10 <b>before we even put it on our floor plan, which again,</b></p> <p>11 <b>is falsifying, because one of the stipulations, the</b></p> <p>12 <b>vehicle cannot be sold. You have to pay the vehicle</b></p> <p>13 <b>off 48 hours after it's sold. Any time you buy a</b></p> <p>14 <b>vehicle from us, you sell it, it needs to be paid off</b></p> <p>15 <b>within 48 hours.</b></p> <p>16 <b>I just want to make sure that's clear. And</b></p> <p>17 <b>then -- so like I said, the dates showed that she had</b></p> <p>18 <b>actually purchased the vehicle before it having been</b></p> <p>19 <b>purchased by us. Secondly, once we verified, once I</b></p> <p>20 <b>saw a copy of the address, again, I noticed that</b></p> <p>21 <b>wasn't the residence that was listed on the bill of</b></p> <p>22 <b>sale in the title work.</b></p>	<p style="text-align: right;">59</p> <p>1 MR. MARKELS: Same objection.</p> <p>2 <b>A I wouldn't know any other way to do it,</b></p> <p>3 <b>sir.</b></p> <p>4 BY MR. LEVINE:</p> <p>5 Q Is it part of your duties and</p> <p>6 responsibilities to obtain titles for vehicles?</p> <p>7 <b>A No.</b></p> <p>8 Q How about released titles for vehicles?</p> <p>9 <b>A I can have them released. I'll take that</b></p> <p>10 <b>back. I mean, if I have to follow up on a title, we</b></p> <p>11 <b>didn't get it, I may give the auction a call or</b></p> <p>12 <b>something like that.</b></p> <p>13 Q But have you ever as part of your duties</p> <p>14 and responsibilities for NextGear obtained a title to</p> <p>15 a vehicle?</p> <p>16 <b>A No.</b></p> <p>17 Q Tell me how NextGear knows that</p> <p>18 Mrs. Mahdavi had any knowledge of what BW Auto may</p> <p>19 have been doing with respect to these titles.</p> <p>20 MR. BRAGDON: Objection to form. You can</p> <p>21 answer.</p> <p>22 <b>A I would not know.</b></p>
<p style="text-align: right;">58</p> <p>1 <b>So again, we had the original title. So we</b></p> <p>2 <b>knew it had to be a duplicate title even to be sent</b></p> <p>3 <b>to the funding company, PG, Pentagon Funding or what</b></p> <p>4 <b>have you.</b></p> <p>5 BY MR. LEVINE:</p> <p>6 Q So how do you know it had to be a duplicate</p> <p>7 title?</p> <p>8 <b>A Because we still have the original title.</b></p> <p>9 Q Is it possible that a new title could be</p> <p>10 issued without the first title being...</p> <p>11 <b>A Well, the way --</b></p> <p>12 MR. MARKELS: I'm going to object on</p> <p>13 speculation. Go ahead.</p> <p>14 <b>A The way it's supposed to work, you're</b></p> <p>15 <b>supposed to -- you should pay the vehicle off, and we</b></p> <p>16 <b>forward you the title, and then you get your title</b></p> <p>17 <b>work done. So we still have our title on file,</b></p> <p>18 <b>meaning, so yeah, if they have a duplicate title, it</b></p> <p>19 <b>was done under fraudulent circumstances.</b></p> <p>20 BY MR. LEVINE:</p> <p>21 Q Is that the only way to obtain a duplicate</p> <p>22 title, is through fraudulent circumstances?</p>	<p style="text-align: right;">60</p> <p>1 BY MR. LEVINE:</p> <p>2 Q Does NextGear have any information to</p> <p>3 indicate that Mrs. Mahdavi had knowledge of what BW</p> <p>4 Auto may have been doing?</p> <p>5 MR. BRAGDON: Objection. You can answer.</p> <p>6 <b>A I would not know.</b></p> <p>7 BY MR. LEVINE:</p> <p>8 Q Did you investigate whether she had any</p> <p>9 direct involvement in what you're calling a</p> <p>10 fraudulent scheme?</p> <p>11 <b>A I have not myself, no.</b></p> <p>12 Q Would anyone else at NextGear possess that</p> <p>13 information?</p> <p>14 MR. BRAGDON: Objection. Besides the</p> <p>15 attorneys?</p> <p>16 <b>A I wouldn't know. I'm not sure of the</b></p> <p>17 <b>grounds they have been pursuing after this has come</b></p> <p>18 <b>to fruition, so I'm unaware.</b></p> <p>19 BY MR. LEVINE:</p> <p>20 Q Would Lisa Long be involved in trying to</p> <p>21 determine whether Mrs. Mahdavi has direct knowledge</p> <p>22 of --</p>

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<p style="text-align: right;">61</p> <p>1       <b>A</b>   <b>No. I mean, again, this was -- our</b>  2       <b>attorneys are dealing with this now.</b>  3       <b>Q</b>    So only your attorneys?  4       <b>A</b>    <b>Yes.</b>  5       <b>Q</b>    Okay. Are you familiar with how much  6       Mrs. Mahdavi paid for the BMW?  7       <b>A</b>    <b>I don't recall. I did see the bill of</b>  8       <b>sale, but I don't recall.</b>  9       <b>Q</b>    Do you recall whether that price was a fair  10       market value for the car?  11       <b>A</b>    <b>I would say yes.</b>  12       <b>Q</b>    And are you aware that she put a down  13       payment down on the vehicle?  14       <b>A</b>    <b>Yes, I think so. I think it was on the</b>  15       <b>bill of sale.</b>  16       <b>Q</b>    Do you know whether Mrs. Mahdavi has ever  17       bought any other cars from BW Auto?  18       <b>A</b>    <b>No. I would not be aware of that.</b>  19       <b>Q</b>    I'm going to skip ahead. This has been  20       marked as NextGear Exhibit 8.  21       (NextGear Exhibit 8 was marked for  22       identification and attached to the deposition</p>	<p style="text-align: right;">63</p> <p>1       <b>A</b>    <b>Yes.</b>  2       <b>Q</b>    Who signed it on behalf of NextGear?  3       <b>A</b>    <b>Brian Geitner.</b>  4       <b>Q</b>    Who is Brian Geitner?  5       <b>A</b>    <b>He's our CEO.</b>  6       <b>Q</b>    And you mentioned before that the BMW was  7       sold before NextGear financed it?  8       <b>A</b>    <b>Correct.</b>  9       <b>Q</b>    Okay. And you said that that's against the  10       contract?  11       <b>A</b>    <b>Correct.</b>  12       <b>Q</b>    Okay. And where in the contract does it  13       reference that?  14       MR. BRAGDON: Objection to the extent that  15       you're asking him to interpret a legal document.  16       <b>A</b>    <b>If you go to page 2 of 12, it will be G.</b>  17       BY MR. LEVINE:  18       <b>Q</b>    2 of 12, G. "To hold all amounts received  19       that relate to any receivable that is subject to a  20       recoverable advance in the form as received in trust  21       for the sole benefit of and for lender, and to remit  22       such funds satisfying all amounts due lender and</p>
<p style="text-align: right;">62</p> <p>1       transcript.)  2       BY MR. LEVINE:  3       <b>Q</b>    Take a minute to review this.  4       <b>A</b>    <b>I'm familiar with it.</b>  5       <b>Q</b>    Okay. Can you identify this document,  6       please?  7       <b>A</b>    <b>This is our demand and promissory note.</b>  8       <b>Q</b>    Okay.  9       <b>A</b>    <b>For NextGear.</b>  10       <b>Q</b>    And does this evidence NextGear's loan to  11       BW Auto?  12       <b>A</b>    <b>Yes.</b>  13       <b>Q</b>    Were you involved in the negotiating of  14       this contract?  15       <b>A</b>    <b>Yes.</b>  16       <b>Q</b>    Were you involved at all in drafting the  17       contract?  18       <b>A</b>    <b>No.</b>  19       <b>Q</b>    Is this a standard contract for NextGear?  20       <b>A</b>    <b>Yes.</b>  21       <b>Q</b>    And Mr. Molavi signed this on behalf of BW  22       Auto?</p>	<p style="text-align: right;">64</p> <p>1       owing by borrower for and in connection with such  2       receivable, in each case within 24 hours of  3       borrower's receipt of such funds or receipt of such  4       funds by any affiliate of borrower."  5       MR. MARKELS: You meant to say  6       "receivable" -- the document reflects "receivable  7       advance."  8       MR. LEVINE: Yes, sorry.  9       BY MR. LEVINE:  10       <b>Q</b>    So BW is required to turn over the funds  11       that it receives for the purchase?  12       <b>A</b>    <b>Correct.</b>  13       <b>Q</b>    Okay. Is it required to obtain NextGear's  14       authorization before it gives the buyer possession of  15       the vehicle?  16       <b>A</b>    <b>Rephrase that. Say that one more time.</b>  17       <b>I'm sorry.</b>  18       <b>Q</b>    Does NextGear require that BW Auto obtain  19       NextGear's permission before it would give the buyer  20       possession of the vehicle?  21       MR. BRAGDON: Objection to form. You can  22       answer.</p>

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17 (Pages 65 to 68)

65	<p>1       <b>A   No. Under our contract, like it said, you</b></p> <p>2       <b>have to pay. You have a certain amount of time to</b></p> <p>3       <b>pay us once you sell the vehicle.</b></p> <p>4       BY MR. LEVINE:</p> <p>5       Q   So the contract allows them to sell the</p> <p>6       vehicle?</p> <p>7       <b>A   Yes.</b></p> <p>8       Q   BW Auto just has to give the money to</p> <p>9       NextGear?</p> <p>10       <b>A   Correct.</b></p> <p>11       Q   Okay. So in essence, you're entrusting BW</p> <p>12       with the vehicle, that they're going to provide the</p> <p>13       money to NextGear?</p> <p>14       MR. BRAGDON: Objection to form. You can</p> <p>15       answer.</p> <p>16       <b>A   Correct.</b></p> <p>17       BY MR. LEVINE:</p> <p>18       Q   I'm sorry, your response was...</p> <p>19       <b>A   Correct.</b></p> <p>20       <b>(NextGear Exhibit 10 was marked for</b></p> <p>21       <b>identification and attached to the deposition</b></p> <p>22       <b>transcript.)</b></p>	67	<p>1       Q   Okay. So as it relates to this BMW, it's</p> <p>2       as inventory?</p> <p>3       <b>A   Correct.</b></p> <p>4       Q   Okay. And when was this security interest</p> <p>5       perfected?</p> <p>6       MR. BRAGDON: Objection. You can answer.</p> <p>7       <b>A   It should be in -- it should be already</b></p> <p>8       <b>provided to you.</b></p> <p>9       BY MR. LEVINE:</p> <p>10       Q   When did you first learn that NextGear had</p> <p>11       financed the purchase of the BMW?</p> <p>12       <b>A   I guess once they filed suit against PAR.</b></p> <p>13       <b>When they first filed against PAR.</b></p> <p>14       Q   When who filed suit?</p> <p>15       <b>A   I guess Ms. Mahdavi.</b></p> <p>16       Q   When Mrs. Mahdavi filed suit in this case?</p> <p>17       <b>A   Yes.</b></p> <p>18       Q   That was the first time that you became</p> <p>19       aware that NextGear had financed the BMW?</p> <p>20       <b>A   No, no, no. I'm sorry. What's your</b></p> <p>21       <b>question again? I'm sorry.</b></p> <p>22       Q   When did you first become aware that</p>
66	<p>1       BY MR. LEVINE:</p> <p>2       Q   I hand you what's been marked as NextGear</p> <p>3       10. Take a moment to review this document, please.</p> <p>4       <b>A   Okay.</b></p> <p>5       Q   All right. I'm going to follow up on that,</p> <p>6       but let me turn back to the contract and NextGear's</p> <p>7       interest in the BMW before I get too far off that</p> <p>8       subject. Now, how does NextGear establish that it</p> <p>9       has a security interest in this BMW?</p> <p>10       MR. BRAGDON: Objection to form. You can</p> <p>11       answer.</p> <p>12       <b>A   So when you sign your contract, we file a</b></p> <p>13       <b>UCC, a Uniform Commercial Code, which gives us</b></p> <p>14       <b>interest in the property and all the assets.</b></p> <p>15       BY MR. LEVINE:</p> <p>16       Q   And NextGear's UCC for this BMW, was one</p> <p>17       filed for this BMW specifically?</p> <p>18       <b>A   No. General. General filing.</b></p> <p>19       Q   Okay.</p> <p>20       <b>A   So any inventory that's filed with us or</b></p> <p>21       <b>flooded on our floor plan, we automatically have an</b></p> <p>22       <b>interest, because of the interest filing.</b></p>	68	<p>1       NextGear had financed the BMW?</p> <p>2       <b>A   As soon as it was flooded. Whatever day it</b></p> <p>3       <b>was flooded.</b></p> <p>4       Q   Okay. And how did you become aware?</p> <p>5       <b>A   I have a receivable for every dealer so it</b></p> <p>6       <b>shows a list of the vehicles that we funded for them.</b></p> <p>7       Q   Okay. And do you know what day that is?</p> <p>8       <b>A   I do not.</b></p> <p>9       Q   And has the list of receivables been</p> <p>10       submitted?</p> <p>11       <b>A   Yes.</b></p> <p>12       Q   And what's the process by which BW would</p> <p>13       submit, what is it, an authorization to finance the</p> <p>14       purchase?</p> <p>15       <b>A   So yes, they have to provide -- whatever</b></p> <p>16       <b>vehicles they would like flooded, they let Manheim</b></p> <p>17       <b>know whatever vehicle they would like flooded, they</b></p> <p>18       <b>would make the flooring clerk aware.</b></p> <p>19       Q   So they don't go to NextGear?</p> <p>20       <b>A   No. We can't -- they don't contact us.</b></p> <p>21       <b>They actually have to contact the auction.</b></p> <p>22       Q   Okay. Why don't they contact NextGear?</p>

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18 (Pages 69 to 72)

69	<p>1       <b>A</b>   We can't give someone authorization to put</p> <p>2       something on their floor plan. They have to do it</p> <p>3       themselves with the auction, how they're going to</p> <p>4       pay, they make the auction aware of how they're going</p> <p>5       to pay for the vehicle.</p> <p>6       <b>Q</b>   Why can't you do that?</p> <p>7       <b>A</b>   Because that would tell every one of my</p> <p>8       dealers, hey, floor that vehicle with NextGear.</p> <p>9       <b>Q</b>   Is there something illegal about that?</p> <p>10      <b>A</b>   No. I mean, it would be illegal. It would</p> <p>11      be a conflict of interest.</p> <p>12      <b>Q</b>   Okay. So then Manheim notifies NextGear</p> <p>13      about BW's request?</p> <p>14      <b>A</b>   So once they're made aware, they can do it</p> <p>15      right through the system. They have an internal</p> <p>16      portal and they go right in and floor those vehicles.</p> <p>17      <b>Q</b>   Okay. So Manheim would have records of</p> <p>18      when BW made the request to floor the vehicle?</p> <p>19      <b>A</b>   Yes. They should.</p> <p>20      <b>Q</b>   And have you reviewed Manheim's records on</p> <p>21      the flooring of the BMW?</p> <p>22      <b>A</b>   No.</p>	71
70	<p>1       <b>Q</b>   Has anyone at NextGear reviewed Manheim's</p> <p>2       records on the flooring of the BMW?</p> <p>3       <b>A</b>   I'm not aware of that.</p> <p>4       <b>Q</b>   Did you do anything to determine whether</p> <p>5       NextGear reviewed Manheim's records on the flooring</p> <p>6       of the vehicle?</p> <p>7       <b>A</b>   No.</p> <p>8       MR. BRAGDON: Objection. You can answer.</p> <p>9       <b>A</b>   No.</p> <p>10      BY MR. LEVINE:</p> <p>11      <b>Q</b>   What communication has NextGear had with</p> <p>12      Manheim about the BMW?</p> <p>13      <b>A</b>   Since? Since...</p> <p>14      <b>Q</b>   Any communication.</p> <p>15      <b>A</b>   There are two different Manheims. I'm not</p> <p>16      sure what you're asking me.</p> <p>17      <b>Q</b>   Why don't you help me understand. I'm not</p> <p>18      clear on the difference between the Manheims.</p> <p>19      <b>A</b>   Are you talking about before it was</p> <p>20      repossessed?</p> <p>21      <b>Q</b>   Starting with before it was repossessed,</p> <p>22      yes.</p>	72



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19 (Pages 73 to 76)

<p style="text-align: right;">73</p> <p>1 Q And on the first page, there's lots of</p> <p>2 redactions.</p> <p>3 A <b>What are you calling it?</b></p> <p>4 Q Redactions. The black lines.</p> <p>5 A <b>Okay.</b></p> <p>6 Q Are you familiar with what would have been</p> <p>7 in those rows?</p> <p>8 A <b>It just looks like modified by just the</b></p> <p>9 <b>names, the initials.</b></p> <p>10 Q Do you know who put those black marks on</p> <p>11 that?</p> <p>12 MR. BRAGDON: Objection. I think you have</p> <p>13 to ask that to me. I think it was done by their</p> <p>14 attorneys.</p> <p>15 MR. LEVINE: Okay.</p> <p>16 BY MR. LEVINE:</p> <p>17 Q Do you know why these would have been</p> <p>18 redacted?</p> <p>19 A <b>No.</b></p> <p>20 MR. BRAGDON: Same objection.</p> <p>21 MR. LEVINE: So there's a privilege here?</p> <p>22 MR. BRAGDON: The redacted ones, I think --</p>	<p style="text-align: right;">75</p> <p>1 MR. BRAGDON: To the extent we haven't</p> <p>2 produced an unredacted version, yes.</p> <p>3 BY MR. LEVINE:</p> <p>4 Q So hopefully you've got better eyes than I</p> <p>5 do, because I have a real hard time looking at these</p> <p>6 documents. So what are these notes?</p> <p>7 A <b>These are our attempt to collect, where we</b></p> <p>8 <b>tracked what was done.</b></p> <p>9 Q Okay. And do you have access to this? Is</p> <p>10 this on a computer system?</p> <p>11 A <b>Yes.</b></p> <p>12 Q Okay. Does the computer system have a</p> <p>13 name?</p> <p>14 A <b>The screen that it comes from is collection</b></p> <p>15 <b>management.</b></p> <p>16 Q So you have access to this?</p> <p>17 A <b>Yes.</b></p> <p>18 Q Who else has access to this?</p> <p>19 A <b>So any superior, so myself, my direct</b></p> <p>20 <b>supervisor Lisa, and any higher-ups on up the chain.</b></p> <p>21 Q Anyone...</p> <p>22 A <b>Anybody involved in collections would have</b></p>
<p style="text-align: right;">74</p> <p>1 we'll have to look at specific ones. I think some of</p> <p>2 the redacted ones have been produced in full. We've</p> <p>3 also produced copies that were filed in Maryland</p> <p>4 State Court in a different hearing.</p> <p>5 MR. LEVINE: That are unredacted?</p> <p>6 MR. BRAGDON: The ones in Maryland State</p> <p>7 Court were redacted. We'll have to look at any</p> <p>8 specific redactions. But it may be in the redacted</p> <p>9 ones that were produced. We certainly produced some</p> <p>10 unredacted versions of redacted documents.</p> <p>11 MR. LEVINE: Okay.</p> <p>12 MR. BRAGDON: That we had already filed in</p> <p>13 Maryland. If we filed it in a redacted version, we</p> <p>14 provided the filed redacted version. And some of</p> <p>15 those at least we provided an unredacted version.</p> <p>16 MR. LEVINE: Okay.</p> <p>17 MR. BRAGDON: If there are specific</p> <p>18 redactions you have questions about, I can -- I would</p> <p>19 have to provide that answer.</p> <p>20 MR. LEVINE: Okay. So I'll ask that you do</p> <p>21 that for everything that's redacted on what's been</p> <p>22 identified as NextGear 10.</p>	<p style="text-align: right;">76</p> <p>1 <b>access.</b></p> <p>2 Q Okay. And the second column -- so you have</p> <p>3 "Modified On" as the first column, then "Modified</p> <p>4 By," then "Method," then "Comment." Are those the</p> <p>5 only four columns?</p> <p>6 A <b>Yes.</b></p> <p>7 Q So what does it mean -- I'm assuming, tell</p> <p>8 me if I'm wrong, that "Modified On" means the date</p> <p>9 that someone is putting a comment in?</p> <p>10 A <b>Correct.</b></p> <p>11 Q And "Modified By" would be the person who</p> <p>12 is putting the comment?</p> <p>13 A <b>Correct.</b></p> <p>14 Q And what is "Method"?</p> <p>15 A <b>So where we are in the collection. So</b></p> <p>16 <b>usually it's "Monitor," or it's been closed out.</b></p> <p>17 <b>It's basically our status codes.</b></p> <p>18 Q Okay. So "Monitor" is a status code?</p> <p>19 A <b>Yes.</b></p> <p>20 Q "Closed out" is a status code?</p> <p>21 A <b>Yes.</b></p> <p>22 Q Okay. What are other status codes?</p>



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20 (Pages 77 to 80)

77	<p>1 <b>A I can't even think of it. Come back to me</b></p> <p>2 <b>on that. I can't recall at this second.</b></p> <p>3 Q On the second page, page 2 of 7, it says</p> <p>4 "Modified by Lisa Long."</p> <p>5 <b>A Mm-hmm.</b></p> <p>6 Q Okay? Is this whole page a record from one</p> <p>7 day?</p> <p>8 <b>A Yes.</b></p> <p>9 Q And Lisa Long is the one who made this</p> <p>10 comment?</p> <p>11 <b>A Correct.</b></p> <p>12 Q Okay. So it says, first line, "5/21, LL,</p> <p>13 recap of my visit, trying to locate inventory and</p> <p>14 gather information?"</p> <p>15 <b>A Mm-hmm.</b></p> <p>16 Q So is "LL" Lisa Long?</p> <p>17 <b>A Correct.</b></p> <p>18 Q Okay. And so Lisa -- where does she work?</p> <p>19 <b>A She is from Ohio. So she actually flew in.</b></p> <p>20 Q She flew in from Ohio? Where in Ohio?</p> <p>21 <b>A I don't know.</b></p> <p>22 Q Does NextGear have an office there?</p>	79	<p>1 <b>years back. So we just got some information out of</b></p> <p>2 <b>there.</b></p> <p>3 Q Okay. So it was just another location to</p> <p>4 try to locate --</p> <p>5 <b>A To locate inventory, yes.</b></p> <p>6 Q Inventory. Okay. And who is Emile?</p> <p>7 <b>A Emile would be Molavi.</b></p> <p>8 Q Khazeyer Molavi?</p> <p>9 <b>A Mm-hmm.</b></p> <p>10 Q So still on the page on 2 of 7, it's NG</p> <p>11 000005, where it starts talking about Prestige</p> <p>12 Imports.</p> <p>13 <b>A Mm-hmm.</b></p> <p>14 Q Did you visit Prestige Imports?</p> <p>15 <b>A Yes.</b></p> <p>16 Q So you were with Lisa and you both went to</p> <p>17 Prestige Imports?</p> <p>18 <b>A Yes.</b></p> <p>19 Q So tell me about what happened there.</p> <p>20 <b>A Basically we went to Prestige. He was at</b></p> <p>21 <b>one of the -- again, so just to backtrack and</b></p> <p>22 <b>explain, every 30 days, our dealers get audited.</b></p>
78	<p>1 <b>A No. It's her physical address, her home.</b></p> <p>2 Q Does she work out of her home?</p> <p>3 <b>A Yes.</b></p> <p>4 Q Okay. So she flew in to Maryland?</p> <p>5 <b>A Correct.</b></p> <p>6 Q All right. And -- or I guess she went to</p> <p>7 try to locate vehicles on her own?</p> <p>8 <b>A Yes.</b></p> <p>9 Q Did you go with her?</p> <p>10 <b>A Yes.</b></p> <p>11 Q So you were with her on 5/21?</p> <p>12 <b>A Yes.</b></p> <p>13 Q Okay. Now, it says in the middle, it says</p> <p>14 "Alex's dad house, 906 Westwood, Vienna."</p> <p>15 <b>A Yes.</b></p> <p>16 Q Who is Alex's dad?</p> <p>17 <b>A I'm not sure of his name.</b></p> <p>18 Q Okay. Does Alex's dad have anything to do</p> <p>19 with BW Auto?</p> <p>20 <b>A Not that we're aware of. It's one of the</b></p> <p>21 <b>places we had a location, under -- I think Alex had</b></p> <p>22 <b>an account with us as well, that had defaulted some</b></p>	80	<p>1 <b>During that audit, we verify what's sold and what's</b></p> <p>2 <b>still there. So we collect bill of sales at that</b></p> <p>3 <b>time. If there's a car at a shop or anywhere else,</b></p> <p>4 <b>they give that address.</b></p> <p>5 <b>So what happens is whatever address we have</b></p> <p>6 <b>in our system from that audit, evidently Emile had</b></p> <p>7 <b>vehicles or Molavi had vehicles from before, and we</b></p> <p>8 <b>visited that dealership. That's one of the reasons</b></p> <p>9 <b>we went there.</b></p> <p>10 Q And what did you learn there?</p> <p>11 <b>A That he actually had a Maserati there. We</b></p> <p>12 <b>verified the VIN number. It was not the Maserati</b></p> <p>13 <b>that Manheim was looking for. It was not on our</b></p> <p>14 <b>floor plan, but with Manheim, their credit line.</b></p> <p>15 Q So you're helping Manheim try to locate</p> <p>16 their inventory?</p> <p>17 <b>A Yes. If anything, we were aware of what</b></p> <p>18 <b>they were looking for as well, so yes.</b></p> <p>19 Q So this was not a NextGear collateral?</p> <p>20 <b>A No. We were just trying to see if our</b></p> <p>21 <b>inventory -- any inventory we could find is what we</b></p> <p>22 <b>were looking for.</b></p>

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21 (Pages 81 to 84)

81	<p>1 Q Who is Omid?</p> <p>2 A <b>Omid is the owner there.</b></p> <p>3 Q What did Omid tell you about what BW Auto</p> <p>4 was doing with the vehicles?</p> <p>5 A <b>He is -- basically was not aware. He said</b></p> <p>6 <b>he would contact Molavi to see what was going on. He</b></p> <p>7 <b>was a good friend. Molavi had helped him out in the</b></p> <p>8 <b>business and learning the business, so he would try</b></p> <p>9 <b>to find out what was going on. But he didn't have</b></p> <p>10 <b>any information.</b></p> <p>11 Q Did he ever provide you with any</p> <p>12 information?</p> <p>13 A <b>No.</b></p> <p>14 Q Did he say anything about Alex?</p> <p>15 A <b>No.</b></p> <p>16 Q Okay. So was the conversation centered on</p> <p>17 Mr. Molavi?</p> <p>18 A <b>Yes.</b></p> <p>19 Q Who is Lisa Stevens?</p> <p>20 A <b>Lisa Stevens is one of our collectors as</b></p> <p>21 <b>well.</b></p> <p>22 Q Where does she work?</p>	83	<p>1 <b>well.</b></p> <p>2 Q Where does he work?</p> <p>3 A <b>Indiana.</b></p> <p>4 Q And what information would Lisa Stevens</p> <p>5 have about the BMW?</p> <p>6 A <b>She would not have any information that I'm</b></p> <p>7 <b>aware of.</b></p> <p>8 Q All right. What information would she have</p> <p>9 about NextGear's trying to collect on BW's loan?</p> <p>10 A <b>So from the comment here, she was basically</b></p> <p>11 <b>running VIN checks. So we have a system in place</b></p> <p>12 <b>where we can actually run VINs through the auctions</b></p> <p>13 <b>to see what's in the auctions. And that's what we</b></p> <p>14 <b>were doing at that time, to see if there was anything</b></p> <p>15 <b>we could get a ping on.</b></p> <p>16 Q And was that done for the BMW?</p> <p>17 A <b>That was done for all the vehicles.</b></p> <p>18 Q What was learned about the BMW when that</p> <p>19 task was performed?</p> <p>20 A <b>Nothing. It wasn't at the auction, so it</b></p> <p>21 <b>wouldn't have showed up.</b></p> <p>22 Q So this is just for if BW was to sell the</p>
82	<p>1 A <b>She works out of NextGear in Indiana.</b></p> <p>2 Q Okay. Is she a supervisor?</p> <p>3 A <b>No. I don't think so.</b></p> <p>4 Q If you turn to page 5 of 7. She's on the</p> <p>5 modifier, modified by list.</p> <p>6 A <b>Yes. So...</b></p> <p>7 Q So how does she have access to the</p> <p>8 collection management record, then?</p> <p>9 A <b>She's one of our collectors.</b></p> <p>10 Q Okay. So any collector has access?</p> <p>11 A <b>Yes.</b></p> <p>12 Q And does she work for you?</p> <p>13 A <b>Kind of hand in hand. Doesn't work for me,</b></p> <p>14 <b>but...</b></p> <p>15 Q She didn't report to you?</p> <p>16 A <b>No.</b></p> <p>17 Q Does she report to Lisa Long?</p> <p>18 A <b>No.</b></p> <p>19 Q Do you know who she reports to?</p> <p>20 A <b>I do not.</b></p> <p>21 Q And who is John Goodyear?</p> <p>22 A <b>John Goodyear is one of our collectors as</b></p>	84	<p>1 vehicle at auction?</p> <p>2 A <b>At auction, exactly. It would chime into</b></p> <p>3 <b>all the auctions around the country. If it was</b></p> <p>4 <b>registered, it would come up. We were just asking to</b></p> <p>5 <b>lock it down.</b></p> <p>6 Q Was NextGear able to locate any vehicles</p> <p>7 using this method?</p> <p>8 A <b>We did not.</b></p> <p>9 Q Do you know about how many vehicles, in</p> <p>10 April of 2014, about how many vehicles sold that</p> <p>11 month?</p> <p>12 A <b>I do not. Like I said, I was given 20 bill</b></p> <p>13 <b>of sales at the time, which would be a little -- be a</b></p> <p>14 <b>little high. Normally they sold about ten units of</b></p> <p>15 <b>floor plan when they would get an audit done, so 20</b></p> <p>16 <b>was on the extenuating side at that time.</b></p> <p>17 Q Okay. And do they finance all their</p> <p>18 vehicles through NextGear?</p> <p>19 A <b>No. They have some vehicles that they will</b></p> <p>20 <b>pay cash for.</b></p> <p>21 Q Okay. And --</p> <p>22 A <b>We had the majority of their inventory.</b></p>

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22 (Pages 85 to 88)

85	<p>1 Q Do you know if they had a floor plan with</p> <p>2 anyone else?</p> <p>3 A No.</p> <p>4 Q No, you don't know?</p> <p>5 A No, they did not, that I'm aware of.</p> <p>6 MR. BRAGDON: Do you want a break?</p> <p>7 MR. LEVINE: Do you need a break?</p> <p>8 MR. BRAGDON: Any time you want to take a</p> <p>9 break, we can.</p> <p>10 THE WITNESS: How much longer do you have?</p> <p>11 I could use the restroom.</p> <p>12 MR. LEVINE: We can take a break.</p> <p>13 (Recess.)</p> <p>14 BY MR. LEVINE:</p> <p>15 Q Who is John Goodyear?</p> <p>16 A John Goodyear is one of our collectors.</p> <p>17 Q So he was also involved in trying to</p> <p>18 collect the --</p> <p>19 A Yes. He was -- I'm sorry. Go ahead.</p> <p>20 Q He was also involved in trying to collect</p> <p>21 the BW loan?</p> <p>22 A Correct.</p>	87	<p>1 as well. He was looking for the three vehicles. I</p> <p>2 think it's mentioned in here. The Maserati...</p> <p>3 Q He was looking for Manheim's vehicles?</p> <p>4 A Correct.</p> <p>5 Q Do you know whether he located them?</p> <p>6 A No.</p> <p>7 Q Was the Maserati Manheim's?</p> <p>8 A None of their vehicles have been located,</p> <p>9 that I'm aware of.</p> <p>10 Q Now, the record references an informant?</p> <p>11 A We had a few people call stating that they</p> <p>12 knew where the vehicles were; but nothing ever came</p> <p>13 about, because we never located them.</p> <p>14 Q Okay. Do you have the identities of these</p> <p>15 people?</p> <p>16 A I do not.</p> <p>17 Q So --</p> <p>18 A Most of them were very vague.</p> <p>19 Q So the informant was not someone regularly</p> <p>20 used by NextGear?</p> <p>21 A No.</p> <p>22 Q Okay.</p>
86	<p>1 Q And trying to recover the vehicles?</p> <p>2 A Correct.</p> <p>3 Q Okay. So was he doing -- did he do any</p> <p>4 surveillance?</p> <p>5 A Yes.</p> <p>6 Q Where does he work?</p> <p>7 A He works in Indiana.</p> <p>8 Q He also came--</p> <p>9 A Flew in, yes.</p> <p>10 Q Flew into Maryland?</p> <p>11 A Yes.</p> <p>12 Q Did Lisa Stevens fly into Maryland?</p> <p>13 A No.</p> <p>14 Q Do you know on what's marked as NG 000008</p> <p>15 which vehicle VIN numbers are -- of which these</p> <p>16 numbers would be for the BMW?</p> <p>17 A No. You can match it up to the receivable.</p> <p>18 Q Who is Matt Easler?</p> <p>19 A Matt Easler would be the contact at</p> <p>20 Manheim.</p> <p>21 Q What was his involvement in this matter?</p> <p>22 A So Matt actually came down and rode with us</p>	88	<p>1 A Guys basically trying to get some money.</p> <p>2 Q Okay. So how did this person contact</p> <p>3 NextGear?</p> <p>4 A Via phone, I would assume.</p> <p>5 Q Okay. Did he leave his name?</p> <p>6 A No. That's what I'm saying, most of them</p> <p>7 were very vague.</p> <p>8 Q What was --</p> <p>9 A I didn't talk to him myself, so...</p> <p>10 Q Who did?</p> <p>11 A I'm not sure.</p> <p>12 Q Would it have been John Goodyear?</p> <p>13 A He may have.</p> <p>14 Q So if you turn to NG 000009. Do you know</p> <p>15 who the task collections incident, who the individual</p> <p>16 would have been who made the comment?</p> <p>17 A This is still Lisa, LL.</p> <p>18 Q All right. So you're seeing where it says</p> <p>19 "LL after 4/17"?</p> <p>20 A Mm-hmm.</p> <p>21 Q So above that, it says "LL 4/16."</p> <p>22 A Mm-hmm.</p>

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<p style="text-align: right;">89</p> <p>1 Q For 4/18 there's no initials. Do we know</p> <p>2 if that's her?</p> <p>3 A <b>No. I'm not sure.</b></p> <p>4 Q Do you know who Scott Collier is? It's at</p> <p>5 the bottom of that page. "Criminal invest."</p> <p>6 A <b>Criminal investigator, but I don't know who</b></p> <p>7 <b>that is.</b></p> <p>8 Q Do you know -- it says "criminal invest."</p> <p>9 Do you know what that means?</p> <p>10 A <b>Criminal investigator.</b></p> <p>11 Q Is this law enforcement?</p> <p>12 A <b>It could be. Like I said, I don't know who</b></p> <p>13 <b>he is.</b></p> <p>14 Q Okay. And so this was Lisa speaking to</p> <p>15 that person?</p> <p>16 A <b>There are no initials on there, so I'm not</b></p> <p>17 <b>sure who that actually was. I would assume so.</b></p> <p>18 Q So other than when you went to visit Alex</p> <p>19 at the dealership, did you have any other</p> <p>20 communications with Alex about any of these cars?</p> <p>21 A <b>No.</b></p> <p>22 Q How about Mr. Molavi?</p>	<p style="text-align: right;">91</p> <p>1 Q Who made the decision to repossess the BMW?</p> <p>2 A <b>Both of us. Once we located it, I think</b></p> <p>3 <b>the notes say John sold the vehicle on 5/19.</b></p> <p>4 Q John Goodyear?</p> <p>5 A <b>Yes. So that same day, I contacted my repo</b></p> <p>6 <b>team to let them know to go by that address in the</b></p> <p>7 <b>evening.</b></p> <p>8 Q Who is your repo team?</p> <p>9 A <b>PAR Services.</b></p> <p>10 Q Who did you contact there?</p> <p>11 A <b>Denny.</b></p> <p>12 Q Denny?</p> <p>13 A <b>Denny Par [sic], yes.</b></p> <p>14 Q His last name is Par?</p> <p>15 A <b>Mm-hmm.</b></p> <p>16 Q Is that P-A-R-R?</p> <p>17 A <b>P-A-R.</b></p> <p>18 Q Just P-A-R?</p> <p>19 A <b>Yes.</b></p> <p>20 Q Is his last name. Okay. Does he own the</p> <p>21 company?</p> <p>22 A <b>No. His father.</b></p>
<p style="text-align: right;">90</p> <p>1 A <b>I spoke to Mr. Molavi on a daily basis.</b></p> <p>2 Q Okay. And did he provide any information</p> <p>3 to you?</p> <p>4 A <b>No. No.</b></p> <p>5 Q Okay. Did Lisa Long speak with Alex</p> <p>6 Mahdavi?</p> <p>7 A <b>Not that I'm aware of, no.</b></p> <p>8 Q Did she speak with Mr. Molavi?</p> <p>9 A <b>Yes.</b></p> <p>10 Q And when did she speak with him?</p> <p>11 A <b>She was probably communicating with him on</b></p> <p>12 <b>a daily basis as well.</b></p> <p>13 Q You would both speak to him on a daily</p> <p>14 basis?</p> <p>15 A <b>Yes.</b></p> <p>16 Q Independently or on a conference call?</p> <p>17 A <b>Independently. If she was in town, then it</b></p> <p>18 <b>would be together. But yes.</b></p> <p>19 Q How many times did she come into town on</p> <p>20 this matter?</p> <p>21 A <b>Probably about two or three, three times.</b></p> <p>22 <b>I'm not sure. Two times.</b></p>	<p style="text-align: right;">92</p> <p>1 Q Who is his father?</p> <p>2 A <b>Mr. Par.</b></p> <p>3 Q Got you. Did you speak with anyone else at</p> <p>4 PAR Services about repossessing the BMW?</p> <p>5 A <b>No.</b></p> <p>6 Q Did you call Denny?</p> <p>7 A <b>Yes.</b></p> <p>8 Q And you called him on the 19th of May?</p> <p>9 A <b>Yes. Or the 20th. It would have been that</b></p> <p>10 <b>morning.</b></p> <p>11 Q All right. What did you tell him?</p> <p>12 A <b>Basically that we thought we saw one of our</b></p> <p>13 <b>vehicles or a couple of our vehicles at that address,</b></p> <p>14 <b>at Mahdavi's address, and to go by there.</b></p> <p>15 Q Okay. And then what was your next</p> <p>16 communication with PAR Services about the BMW?</p> <p>17 A <b>Well, there was -- the next day. He got it</b></p> <p>18 <b>that night. He let me know that he was able to get</b></p> <p>19 <b>the vehicle.</b></p> <p>20 Q Okay. So after you instructed PAR Services</p> <p>21 to obtain the vehicle, the next communication was</p> <p>22 when they -- after they had obtained it?</p>

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93	<p>1 <b>A Correct.</b></p> <p>2 Q Did you provide any information to PAR</p> <p>3 Services about the vehicle besides describing the</p> <p>4 make and models?</p> <p>5 MR. BRAGDON: Objection to form. You can</p> <p>6 answer.</p> <p>7 <b>A Yes. So we provided them with the</b></p> <p>8 <b>receivable which lists all the vehicles that they</b></p> <p>9 <b>have on their floor plan with the VIN numbers, so</b></p> <p>10 <b>they can verify it by the VIN.</b></p> <p>11 BY MR. LEVINE:</p> <p>12 Q Okay. Other than providing the receivable</p> <p>13 to PAR Services, did you provide any other</p> <p>14 information to PAR Services?</p> <p>15 <b>A Just addresses of where to go look.</b></p> <p>16 Q Did you provide a copy of the title to the</p> <p>17 vehicle?</p> <p>18 <b>A No.</b></p> <p>19 Q Did you know whether or not you had the</p> <p>20 title to the vehicle at this time?</p> <p>21 <b>A Yes.</b></p> <p>22 Q Did you have the title to the vehicle at</p>	95	<p>1 entered the inside of the vehicle?</p> <p>2 <b>A Not that I'm aware of.</b></p> <p>3 Q Including the trunk?</p> <p>4 <b>A Not that I'm aware of. Like I said, they</b></p> <p>5 <b>didn't have keys, so...</b></p> <p>6 Q And did you instruct Denny where to take</p> <p>7 the BMW?</p> <p>8 <b>A Yes.</b></p> <p>9 Q And where did you --</p> <p>10 <b>A Transport it to Baltimore-Washington</b></p> <p>11 <b>Manheim.</b></p> <p>12 Q And when was that done?</p> <p>13 <b>A I guess a couple of days later. I don't</b></p> <p>14 <b>have the exact date.</b></p> <p>15 Q Okay. Do you know when Manheim obtained</p> <p>16 possession of the vehicle?</p> <p>17 <b>A It should have been provided. But yes, we</b></p> <p>18 <b>have it on record, I don't recall the exact date.</b></p> <p>19 Q And how did you learn that the vehicle had</p> <p>20 been taken to Manheim, BW Manheim? Is that how it's</p> <p>21 referred to, BW Manheim?</p> <p>22 <b>A Baltimore-Washington, yes.</b></p>
94	<p>1 this time?</p> <p>2 <b>A Yes.</b></p> <p>3 Q So after the vehicle was repossessed, who</p> <p>4 contacted you from PAR?</p> <p>5 <b>A Denny.</b></p> <p>6 Q And did he call you?</p> <p>7 <b>A Yes.</b></p> <p>8 Q And what day was it that he called you?</p> <p>9 <b>A It would have been the 21st.</b></p> <p>10 Q And what did he say?</p> <p>11 <b>A That they picked up the vehicle. It was on</b></p> <p>12 <b>his lot, and where did I want him to take it.</b></p> <p>13 Q They took the vehicle back to his lot?</p> <p>14 <b>A His storage lot.</b></p> <p>15 Q And where is that located?</p> <p>16 <b>A I don't know. They have a couple, but I'm</b></p> <p>17 <b>not sure exactly which lot he took it to.</b></p> <p>18 Q Do you know whether they conducted an</p> <p>19 inventory of the vehicle?</p> <p>20 <b>A They did not, because they did not have</b></p> <p>21 <b>keys to the vehicle.</b></p> <p>22 Q Do you know whether anyone at PAR Services</p>	96	<p>1 Q How did you learn that it had been</p> <p>2 delivered to BW Manheim?</p> <p>3 <b>A So they let me know, once they take it</b></p> <p>4 <b>over, I do a report to let them know we'll get it</b></p> <p>5 <b>checked in, so our repossession team will verify that</b></p> <p>6 <b>it's been checked in over there.</b></p> <p>7 Q When you say "they," you mean PAR Services</p> <p>8 will let you know?</p> <p>9 <b>A They'll let me know when they take it in,</b></p> <p>10 <b>yes.</b></p> <p>11 Q Did they do that in this case?</p> <p>12 <b>A Yes.</b></p> <p>13 Q Did Denny call and tell you that?</p> <p>14 <b>A Yes.</b></p> <p>15 Q Any written communications with PAR</p> <p>16 Services?</p> <p>17 <b>A No. I pretty much deal with them on the</b></p> <p>18 <b>phone.</b></p> <p>19 Q Okay. So no emails with PAR Services?</p> <p>20 <b>A No.</b></p> <p>21 Q No?</p> <p>22 <b>A No.</b></p>

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<p style="text-align: right;">97</p> <p>1 Q And do you have a contract with PAR</p> <p>2 Services?</p> <p>3 A Yes. Just a general contract. Basically</p> <p>4 they provide us with their license number and that</p> <p>5 kind of stuff. Just generally make sure they're</p> <p>6 bonded.</p> <p>7 Q Now, when did NextGear first learn that</p> <p>8 Mrs. Mahdavi might have had an interest in the BMW?</p> <p>9 A So I guess it was made aware like a day or</p> <p>10 two later. She actually contacted PAR, and in return</p> <p>11 they contacted me.</p> <p>12 Q Okay. Did you ever speak with</p> <p>13 Mrs. Mahdavi?</p> <p>14 A No.</p> <p>15 Q Do you know if anyone at NextGear has</p> <p>16 spoken with Mrs. Mahdavi?</p> <p>17 A No.</p> <p>18 Q No, you don't know, or no one has?</p> <p>19 A No, I'm not aware. No.</p> <p>20 Q So when the vehicle was taken to Manheim,</p> <p>21 did you talk to anyone at Manheim about the BMW?</p> <p>22 A Yes.</p>	<p style="text-align: right;">99</p> <p>1 to do an inventory.</p> <p>2 Q Okay. Did they do an inventory?</p> <p>3 A Yes.</p> <p>4 Q They didn't have keys?</p> <p>5 A Any time they get a car and it does not</p> <p>6 have keys, they automatically have keys made so they</p> <p>7 can move the vehicle around.</p> <p>8 Q All right. And did they provide you with</p> <p>9 an inventory?</p> <p>10 A Nothing written. They said nothing was</p> <p>11 found.</p> <p>12 Q There was nothing in the vehicle?</p> <p>13 A Nothing -- the only thing that was found I</p> <p>14 think was some gloves that were put in the back.</p> <p>15 Q Okay.</p> <p>16 A Workout gloves.</p> <p>17 Q So no watch?</p> <p>18 A No watch.</p> <p>19 Q No cash?</p> <p>20 A No cash.</p> <p>21 Q And no jewelry?</p> <p>22 A (No verbal response.)</p>
<p style="text-align: right;">98</p> <p>1 Q And who did you speak with there?</p> <p>2 A Their repossession team. Christian Taylor.</p> <p>3 Q Did he call you to tell you he had the</p> <p>4 vehicle?</p> <p>5 A No.</p> <p>6 Q Did you call him?</p> <p>7 A Yes. I wanted to confirm it was there.</p> <p>8 Like I said, the way it happens, Denny would let me</p> <p>9 know the vehicle is being taken over there. I have</p> <p>10 what they call a repossession form, so I submit that.</p> <p>11 Our repo team verifies -- like I said, we have an</p> <p>12 automatic connection with the auctions, they'll let</p> <p>13 us know when a vehicle has been checked in. So we</p> <p>14 verified that the vehicle was there.</p> <p>15 Q Now, was the vehicle already at Manheim</p> <p>16 when you learned that Mrs. Mahdavi was saying that</p> <p>17 she owned the vehicle?</p> <p>18 A I am assuming so. I think so.</p> <p>19 Q What instructions did you give to Manheim</p> <p>20 about the BMW?</p> <p>21 A I let them know, I guess there was an</p> <p>22 accusation that they had a watch in the vehicle, and</p>	<p style="text-align: right;">100</p> <p>1 Q Just bags of clothes?</p> <p>2 A Workout clothes, I think.</p> <p>3 Q Child car seat?</p> <p>4 A No.</p> <p>5 Q Have you had any communications with April</p> <p>6 Rector about the BMW?</p> <p>7 A Just at the time when it happened.</p> <p>8 Q What was that communication?</p> <p>9 A To transport the vehicle.</p> <p>10 Q So you spoke to Denny and to April Rector?</p> <p>11 A Mm-hmm.</p> <p>12 Q What was your conversation with April</p> <p>13 Rector?</p> <p>14 A Just to transport it. I think when I</p> <p>15 originally called, I was on the cellphone, I called</p> <p>16 the office and got her, just to let her know, "Hey,</p> <p>17 transport that for me." Then Denny called me back.</p> <p>18 Q Did you find any other vehicles at homes of</p> <p>19 any other BW Auto employee?</p> <p>20 A No.</p> <p>21 Q Where is the BMW now?</p> <p>22 A Still at Manheim, Baltimore-Washington.</p>



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101	<p>1 Q When was the last time you saw it?</p> <p>2 A I guess when it was originally repossessed,</p> <p>3 say the 24th or something like that.</p> <p>4 Q Of May?</p> <p>5 A Uh-huh.</p> <p>6 Q Have you seen it since?</p> <p>7 A No.</p> <p>8 Q Okay. Have you been given any reports on</p> <p>9 its whereabouts?</p> <p>10 A No. They were just keeping it in their</p> <p>11 storage lot.</p> <p>12 Q Okay. So as far as you know, it's still</p> <p>13 sitting on their lot?</p> <p>14 A Yes.</p> <p>15 Q Do you know if anyone's been inside the BMW</p> <p>16 since it was inventoried?</p> <p>17 A No, I wouldn't know that.</p> <p>18 Q Are you aware that Pentagon Federal Credit</p> <p>19 Union contacted NextGear?</p> <p>20 A Yes.</p> <p>21 Q And what do you know about that?</p> <p>22 A That they contacted us, that's when we were</p>	103	<p>1 collection management screen. But it's just like any</p> <p>2 other vehicle, nothing specific towards that 645.</p> <p>3 Q And so did you review, you know, what the</p> <p>4 standard collection file would be for the BMW in</p> <p>5 preparation for this deposition?</p> <p>6 A No. I mean, there's not much done with it,</p> <p>7 just to elaborate. I mean, it's been repossessed,</p> <p>8 because you have the legalities. Most of the time we</p> <p>9 sell the vehicles within ten days, so we run it back</p> <p>10 to the auction. So that hasn't been sold because of</p> <p>11 the legal proceedings we're going through now.</p> <p>12 Q Okay. Now, the letter from Pentagon</p> <p>13 Federal Credit Union to Mrs. Mahdavi, it says that</p> <p>14 NextGear authorized the repossession. Do you agree</p> <p>15 with that statement?</p> <p>16 A Correct.</p> <p>17 Q Okay. And there's no dispute that PAR</p> <p>18 Services was acting on behalf of NextGear?</p> <p>19 MR. BRAGDON: Objection. You can answer.</p> <p>20 A No.</p> <p>21 BY MR. LEVINE:</p> <p>22 Q Now, going back to NextGear's answer to the</p>
102	<p>1 made aware about the loan. And that's when they</p> <p>2 faxed over their information.</p> <p>3 Q Okay. And who is Stacy Miller Byrd?</p> <p>4 A She's one of the collectors. Stacy Miller,</p> <p>5 right? Oh, she got married.</p> <p>6 (NextGear Exhibit 12 was marked for</p> <p>7 identification and attached to the deposition</p> <p>8 transcript.)</p> <p>9 BY MR. LEVINE:</p> <p>10 Q Have you seen this letter before?</p> <p>11 A I had not seen this, no.</p> <p>12 Q You've never seen that before? Okay. Are</p> <p>13 you aware of NextGear's communication with Pentagon</p> <p>14 Federal Credit Union?</p> <p>15 A No.</p> <p>16 Q Do you know if anyone else besides Stacy</p> <p>17 Miller has been in contact with Federal Credit Union?</p> <p>18 A No, I'm not aware.</p> <p>19 Q Do you know, is there a file kept with</p> <p>20 respect to this BMW at NextGear?</p> <p>21 A It would be our standard collections. So</p> <p>22 one of the things that you have here is our</p>	104	<p>1 complaint in this matter, several defenses are</p> <p>2 asserted. And one of the defenses that's asserted is</p> <p>3 that Mrs. Mahdavi's claims are barred by fraud. Are</p> <p>4 you aware of any fraud that Mrs. Mahdavi has</p> <p>5 committed?</p> <p>6 MR. BRAGDON: Objection. You can answer.</p> <p>7 A Well, I think we touched upon it. We have</p> <p>8 the original title to the vehicle. So to get any</p> <p>9 financing, you have to provide the financing company</p> <p>10 with a title. So the question would be --</p> <p>11 BY MR. LEVINE:</p> <p>12 Q You're talking about BW Auto --</p> <p>13 MR. BRAGDON: He was in the middle of his</p> <p>14 answer. Can he just finish his answer, please?</p> <p>15 A So, however the financing was conducted, it</p> <p>16 was done by falsified title. Then again, once we saw</p> <p>17 the information that was on the bill of sale, there</p> <p>18 was a falsified address. So two of those factors,</p> <p>19 that's how we kind of determined that it was</p> <p>20 fraudulently done.</p> <p>21 BY MR. LEVINE:</p> <p>22 Q How do you know --</p>

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<p style="text-align: right;">105</p> <p>1       <b>A</b>   And the third party -- I'm sorry. The</p> <p>2       <b>third party, like I said, it was actually purchased</b></p> <p>3       <b>from Manheim prior to being financed in March or what</b></p> <p>4       <b>have you. And I don't have the exact date. But if</b></p> <p>5       <b>you look at the bill of sale, we actually have it in</b></p> <p>6       <b>some of the files here, the bill of sale says it was</b></p> <p>7       <b>purchased in March, and it was floored in April, and</b></p> <p>8       <b>they said it was sold in March as well.</b></p> <p>9       <b>Q</b>   Now, you say that the address used on the</p> <p>10       bill of sale was falsified?</p> <p>11       <b>A</b>   Well, yes. It was not their residence.</p> <p>12       <b>Q</b>   And when did you learn that?</p> <p>13       <b>A</b>   When we got a copy of the bill of sale from</p> <p>14       <b>Pentagon. When we got a copy of the title work and</b></p> <p>15       <b>everything.</b></p> <p>16       <b>Q</b>   And what led you to believe it was a false</p> <p>17       address?</p> <p>18       <b>A</b>   I actually went down to the address that</p> <p>19       <b>they had on there. We realized it was a wholesale</b></p> <p>20       <b>address that they had on file with the MVA. No -- it</b></p> <p>21       <b>was basically a garage that was there.</b></p> <p>22       <b>Q</b>   Who is "they"?</p>	<p style="text-align: right;">107</p> <p>1       the information that was provided in answers to</p> <p>2       interrogatories --</p> <p>3       <b>MR. LEVINE:</b> There's a lot of holes in the</p> <p>4       answers to interrogatories. And we're trying to</p> <p>5       cover those right now, okay? So I can go through</p> <p>6       them one by one if I want.</p> <p>7       <b>MR. BRAGDON:</b> Of course you can.</p> <p>8       <b>MR. LEVINE:</b> And you can instruct him not</p> <p>9       to answer if you want, okay?</p> <p>10       <b>BY MR. LEVINE:</b></p> <p>11       <b>Q</b>   So you don't know who submitted the</p> <p>12       paperwork for title?</p> <p>13       <b>A</b>   No.</p> <p>14       <b>Q</b>   You don't know what conversations</p> <p>15       Mrs. Mahdavi had with Mr. Mahdavi about purchasing</p> <p>16       the vehicle?</p> <p>17       <b>MR. BRAGDON:</b> Objection.</p> <p>18       <b>A</b>   No.</p> <p>19       <b>BY MR. LEVINE:</b></p> <p>20       <b>Q</b>   Do you know anything about conversations</p> <p>21       that Mrs. Mahdavi had with anybody about purchasing</p> <p>22       the vehicle?</p>
<p style="text-align: right;">106</p> <p>1       <b>A</b>   Ms. Mahdavi.</p> <p>2       <b>Q</b>   Okay. And so what knowledge do you have</p> <p>3       that she participated in the fraud?</p> <p>4       <b>MR. BRAGDON:</b> Objection.</p> <p>5       <b>A</b>   I mean, I don't have -- who filed their</p> <p>6       <b>paperwork? I mean, no, I don't have an answer for</b></p> <p>7       <b>you there.</b></p> <p>8       <b>MR. BRAGDON:</b> We've also answered these</p> <p>9       exact questions in interrogatories.</p> <p>10       <b>MR. LEVINE:</b> I'm sorry. Is there an</p> <p>11       objection?</p> <p>12       <b>MR. BRAGDON:</b> Yes.</p> <p>13       <b>MR. LEVINE:</b> Can you state it concisely?</p> <p>14       <b>MR. BRAGDON:</b> Yes. Asked and answered.</p> <p>15       He's answered these --</p> <p>16       <b>MR. LEVINE:</b> I've heard your objection.</p> <p>17       I'm going to ask my questions, okay? I'll go through</p> <p>18       every question I want and have him answer if I feel</p> <p>19       like it, okay?</p> <p>20       <b>MR. BRAGDON:</b> If you're asking each</p> <p>21       interrogatory after he's already provided</p> <p>22       information, it just seems like a waste of time. But</p>	<p style="text-align: right;">108</p> <p>1       <b>MR. BRAGDON:</b> Objection to form. You can</p> <p>2       answer.</p> <p>3       <b>A</b>   No.</p> <p>4       <b>BY MR. LEVINE:</b></p> <p>5       <b>Q</b>   Are you aware of any facts to support a</p> <p>6       contention that Mrs. Mahdavi didn't pay for the BMW?</p> <p>7       <b>MR. BRAGDON:</b> Objection. Those facts have</p> <p>8       been provided in the answers to interrogatories. You</p> <p>9       can answer.</p> <p>10       <b>A</b>   I'm not aware.</p> <p>11       <b>(NextGear Exhibit 11 was marked for</b></p> <p>12       <b>identification and attached to the deposition</b></p> <p>13       <b>transcript.)</b></p> <p>14       <b>BY MR. LEVINE:</b></p> <p>15       <b>Q</b>   I'll ask you to take a look at what's been</p> <p>16       marked as NextGear 11. Can you identify this</p> <p>17       document?</p> <p>18       <b>A</b>   Condition report.</p> <p>19       <b>Q</b>   Whose record is this?</p> <p>20       <b>A</b>   It looks like Manheim's.</p> <p>21       <b>Q</b>   This is not a NextGear record?</p> <p>22       <b>A</b>   No. This would be their condition report</p>

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<p style="text-align: right;">109</p> <p>1 <b>when they check the vehicles out.</b></p> <p>2 Q And is this something that NextGear would</p> <p>3 send -- I mean, excuse me, that Manheim would send to</p> <p>4 NextGear?</p> <p>5 <b>A Yes, I'm sure we get a record of it. Yes.</b></p> <p>6 Q Okay. Do you know whether Manheim provided</p> <p>7 this particular document to NextGear?</p> <p>8 <b>A No. I'm not aware if they did or not.</b></p> <p>9 Q Does NextGear have any policies and</p> <p>10 procedures with respect to repossessing vehicles?</p> <p>11 MR. BRAGDON: Objection. You can answer.</p> <p>12 <b>A Our policy is normally if a dealer is</b></p> <p>13 <b>unable to pay the debt, we usually collect whatever</b></p> <p>14 <b>inventory that is left on the lot.</b></p> <p>15 BY MR. LEVINE:</p> <p>16 Q Is this a written policy?</p> <p>17 <b>A It's in the contract, yes.</b></p> <p>18 Q So the policy would be stated in the</p> <p>19 document that's been marked as NextGear 8?</p> <p>20 MR. BRAGDON: Objection to form. You can</p> <p>21 answer.</p> <p>22 <b>A Yes.</b></p>	<p style="text-align: right;">111</p> <p>1 <b>A So again, our attorneys are handling that,</b></p> <p>2 <b>so everything is forwarded to the attorneys.</b></p> <p>3 Q Okay. And did your involvement cease?</p> <p>4 <b>A Correct.</b></p> <p>5 Q Okay. Had BW Auto, other than the BMW, had</p> <p>6 they ever floored a vehicle that it had previously</p> <p>7 sold?</p> <p>8 MR. BRAGDON: Objection. You can answer.</p> <p>9 <b>A Not that we're aware of, not that they got</b></p> <p>10 <b>caught for, no.</b></p> <p>11 BY MR. LEVINE:</p> <p>12 Q So the BMW is the only vehicle you're aware</p> <p>13 of?</p> <p>14 <b>A Yes. Only because of the bill of sale</b></p> <p>15 <b>provided by -- by Pentagon.</b></p> <p>16 Q Okay. Of the other vehicles that were on</p> <p>17 the receivable list, had any of those vehicles been</p> <p>18 sold?</p> <p>19 <b>A Yes. Again, at the time, I was given the</b></p> <p>20 <b>20 bill of sales, so he was saying that they were the</b></p> <p>21 <b>sold vehicles. But if we have a record on file, we</b></p> <p>22 <b>should have a record of list of the bill of sales.</b></p>
<p style="text-align: right;">110</p> <p>1 BY MR. LEVINE:</p> <p>2 Q Did you review this document prior to</p> <p>3 repossessing the BMW?</p> <p>4 <b>A Review it with whom?</b></p> <p>5 Q Did you personally review the document?</p> <p>6 <b>A No.</b></p> <p>7 Q Did you refer to it at all prior to</p> <p>8 repossessing the vehicle?</p> <p>9 MR. BRAGDON: Objection. You can answer.</p> <p>10 At any point prior?</p> <p>11 MR. LEVINE: I said, yes, "prior to."</p> <p>12 <b>A So I did not -- I mean, I know the</b></p> <p>13 <b>contract. We were out a million and a half dollars</b></p> <p>14 <b>or a million point four dollars, so we were trying to</b></p> <p>15 <b>collect anything we could at that time.</b></p> <p>16 BY MR. LEVINE:</p> <p>17 Q But you didn't go back and refer to the</p> <p>18 contract prior to repossessing the BMW?</p> <p>19 <b>A No, sir.</b></p> <p>20 Q So after you learned that Mrs. Mahdavi was</p> <p>21 claiming she owned the BMW, what did you do about</p> <p>22 that issue?</p>	<p style="text-align: right;">112</p> <p>1 <b>If you look, some of the names were questionable, to</b></p> <p>2 <b>say the least.</b></p> <p>3 Q In what way?</p> <p>4 <b>A I think one of them said "incognito," and</b></p> <p>5 <b>one said "not me," "it wasn't me," that type of</b></p> <p>6 <b>thing.</b></p> <p>7 Q On the bill of sale?</p> <p>8 <b>A On the actual bill of sales.</b></p> <p>9 Q Okay. And do you still have copies of</p> <p>10 those bills of sale?</p> <p>11 <b>A We should have copies of the bill of sales.</b></p> <p>12 Q And who provided those to you?</p> <p>13 <b>A Alex at the time.</b></p> <p>14 Q Alex did, okay. Do you know whether or not</p> <p>15 his signature was on any of those bills of sale?</p> <p>16 <b>A No.</b></p> <p>17 Q Do you know whether his signature is on the</p> <p>18 bill of sale to Mrs. Mahdavi?</p> <p>19 <b>A No. So we were just given printouts of the</b></p> <p>20 <b>bill of sale, so there were no signatures at all.</b></p> <p>21 <b>They stated they had a break-in and all the hard</b></p> <p>22 <b>files had been stolen.</b></p>

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113	<p>1 Q Who told you there was a break-in?</p> <p>2 A <b>Molavi.</b></p> <p>3 Q Mr. Molavi?</p> <p>4 A <b>Yes.</b></p> <p>5 Q I just want to make sure we're not getting</p> <p>6 Mahdavi and Molavi --</p> <p>7 A <b>Molavi.</b></p> <p>8 Q And when did he say this break-in occurred?</p> <p>9 A <b>I think we should have this documented as</b></p> <p>10 <b>well. Two weeks prior, I think, or a week prior.</b></p> <p>11 Q Did you ask Mr. Mahdavi about this</p> <p>12 break-in?</p> <p>13 A <b>It was after the fact, so I haven't spoken</b></p> <p>14 <b>with him since the day we went through the lot.</b></p> <p>15 Q Does BW Auto only sell used cars?</p> <p>16 A <b>Yes, that I'm aware of.</b></p> <p>17 Q And are you aware about how many cars, what</p> <p>18 percentage it typically would sell at auction versus</p> <p>19 selling off the lot?</p> <p>20 A <b>They didn't usually run vehicles back</b></p> <p>21 <b>through the auction. They sold 100 percent, I would</b></p> <p>22 <b>say, to customers.</b></p>	115	<p>1 BY MR. BRAGDON:</p> <p>2 Q When you said the "standard collection</p> <p>3 file," were you referring to the computer system?</p> <p>4 MR. LEVINE: Objection, leading.</p> <p>5 A <b>Correct.</b></p> <p>6 BY MR. BRAGDON:</p> <p>7 Q Did you review the computer system at any</p> <p>8 point since the repossession?</p> <p>9 A <b>Have I? No, not personally.</b></p> <p>10 Q Did you review it while the repossession</p> <p>11 was going on?</p> <p>12 A <b>Yes.</b></p> <p>13 Q And you reviewed the printout?</p> <p>14 MR. LEVINE: Objection, leading.</p> <p>15 A <b>Yes.</b></p> <p>16 BY MR. BRAGDON:</p> <p>17 Q Now, you spoke with --</p> <p>18 MR. LEVINE: Objection.</p> <p>19 MR. BRAGDON: Excuse me?</p> <p>20 MR. LEVINE: I'm anticipating another</p> <p>21 leading question, so...</p> <p>22 BY MR. BRAGDON:</p>
114	<p>1 Q Okay. When did NextGear first inform BW</p> <p>2 Auto that it was in default?</p> <p>3 A <b>So we went to the lot that day, I guess the</b></p> <p>4 <b>April 20th or whatever it was. And we didn't have</b></p> <p>5 <b>any of our inventory, and we didn't have any money.</b></p> <p>6 <b>He was in default at that time, so he was made aware</b></p> <p>7 <b>then.</b></p> <p>8 Q So prior to that, NextGear was not aware of</p> <p>9 any default?</p> <p>10 A <b>Yeah, no.</b></p> <p>11 Q And prior to that, NextGear had not</p> <p>12 informed BW that it was in default?</p> <p>13 A <b>No.</b></p> <p>14 MR. BRAGDON: Objection to form. You can</p> <p>15 answer.</p> <p>16 A <b>No.</b></p> <p>17 MR. LEVINE: I don't have any further</p> <p>18 questions.</p> <p>19 MR. MARKELS: No questions.</p> <p>20 MR. BRAGDON: Just a few questions.</p> <p>21 EXAMINATION BY COUNSEL FOR</p> <p>22 DEFENDANT NEXTGEAR CAPITAL INC.</p>	116	<p>1 Q When did you speak with Alex Mahdavi?</p> <p>2 A <b>So the day we have it, I guess it would</b></p> <p>3 <b>have been April the 20th or whatever it was, the day</b></p> <p>4 <b>we discovered that all the vehicles were missing.</b></p> <p>5 Q And what time was it?</p> <p>6 A <b>I got there about 10, 10:30 in the morning.</b></p> <p>7 Q And you spoke to him before that?</p> <p>8 A <b>I spoke with him that evening.</b></p> <p>9 Q The previous evening?</p> <p>10 A <b>Mm-hmm.</b></p> <p>11 Q And what time was that?</p> <p>12 A <b>It was about probably 6:30, 7. He told me</b></p> <p>13 <b>he would give me a call back.</b></p> <p>14 Q Did he?</p> <p>15 A <b>No, he never did.</b></p> <p>16 Q And what did you discuss?</p> <p>17 A <b>I just asked him is everything okay.</b></p> <p>18 Q What did he tell you?</p> <p>19 A <b>Yes.</b></p> <p>20 Q Did he tell you any cars were missing from</p> <p>21 the lot?</p> <p>22 A <b>No.</b></p>

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117	<p>1 Q From your experience, what were</p> <p>2 Mr. Mahdavi's job responsibilities?</p> <p>3 A He was the general manager. He was in</p> <p>4 charge of all financing and managing the floor plan.</p> <p>5 Q Did he manage submission of funds to</p> <p>6 NextGear?</p> <p>7 A Correct.</p> <p>8 Q And did he provide bills of sale when they</p> <p>9 came in?</p> <p>10 A Yes. He was -- our auditor would speak</p> <p>11 with him and collect the bill of sales.</p> <p>12 Q Did he provide you a bill of sale for the</p> <p>13 BMW when you saw him?</p> <p>14 A No.</p> <p>15 Q Did he tell you that it had been sold?</p> <p>16 A No.</p> <p>17 Q Did he submit any funds to NextGear?</p> <p>18 A No.</p> <p>19 MR. LEVINE: Objection, foundation.</p> <p>20 BY MR. BRAGDON:</p> <p>21 Q And you testified earlier there was a</p> <p>22 break-in?</p>	119	<p>1 A There is a copy of the bill of sales, but</p> <p>2 there are no signatures.</p> <p>3 Q Got you.</p> <p>4 A So they would just be computer printouts,</p> <p>5 is what he provided us with.</p> <p>6 Q And did you ever see a bill of sale for the</p> <p>7 BMW?</p> <p>8 A No. Not until Pentagon provided it.</p> <p>9 MR. BRAGDON: No further questions.</p> <p>10 FURTHER EXAMINATION BY COUNSEL FOR PLAINTIFF</p> <p>11 BY MR. LEVINE:</p> <p>12 Q You said that when you called Mr. Mahdavi</p> <p>13 the evening before you went to the lot --</p> <p>14 A Mm-hmm.</p> <p>15 Q -- you asked him if everything was okay?</p> <p>16 A Mm-hmm.</p> <p>17 Q Did you specify what you were talking</p> <p>18 about?</p> <p>19 A No. I just said, "Is everything all right,</p> <p>20 you had some payments due" or something like that,</p> <p>21 "Are you okay to make those." Just a regular call.</p> <p>22 A lot of my dealers forget, they have a cutoff of</p>
118	<p>1 A Yes.</p> <p>2 Q And what did he tell you was gone from the</p> <p>3 break-in?</p> <p>4 A The hard copies of files. So their --</p> <p>5 their original bill of sales and things like that.</p> <p>6 Q So what vehicles were those bills of sale</p> <p>7 supposed to be for?</p> <p>8 A They are for --</p> <p>9 MR. LEVINE: Objection.</p> <p>10 A -- I guess the 20 that he gave me, what I</p> <p>11 was trying to make him understand, there was no</p> <p>12 signatures on them, because they said the hard files</p> <p>13 had been stolen.</p> <p>14 BY MR. BRAGDON:</p> <p>15 Q And the hard files, are you talking the</p> <p>16 hard file bills of sale?</p> <p>17 A Correct.</p> <p>18 Q Now, Mr. Mahdavi did provide a hard file</p> <p>19 bill of sale; is that correct?</p> <p>20 A No.</p> <p>21 Q Is there a copy of the bill of sale in the</p> <p>22 documents you reviewed?</p>	120	<p>1 8:00.</p> <p>2 Q Had they missed any payments at that point?</p> <p>3 A No. He said "No, I'll get right on it."</p> <p>4 Q And what time of night was that?</p> <p>5 A Probably about 7, 7:30. Like I said, our</p> <p>6 system cuts off at 8. They will get a late fee.</p> <p>7 Q And what time did you arrive at the lot the</p> <p>8 next day?</p> <p>9 A 10:30. Usually the lines open up at 10.</p> <p>10 Usually between 10 and 10:30.</p> <p>11 Q And did Mr. Mahdavi do anything when you</p> <p>12 arrived at the lot to try to, you know, conceal</p> <p>13 himself?</p> <p>14 MR. BRAGDON: Objection. You can answer.</p> <p>15 A No.</p> <p>16 BY MR. LEVINE:</p> <p>17 Q Did he keep you waiting?</p> <p>18 A No. It was status quo.</p> <p>19 Q Okay.</p> <p>20 A And that's the other answer in our</p> <p>21 collection screen. "Status quo."</p> <p>22 Q And what does it mean?</p>

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31 (Pages 121 to 124)

121	<p>1 <b>A Basically status quo, we're just doing our</b></p> <p>2 <b>normal followup. So nothing out of the ordinary.</b></p> <p>3 Q Who is the auditor that would speak to</p> <p>4 Mr. Mahdavi?</p> <p>5 <b>A Jeffrey White.</b></p> <p>6 Q And did Mr. White speak to Mr. Mahdavi</p> <p>7 about the BMW?</p> <p>8 <b>A I'm not aware, no. We would have to look</b></p> <p>9 <b>at an audit.</b></p> <p>10 Q Is there an audit file?</p> <p>11 <b>A Yes, we should have that.</b></p> <p>12 Q And would the BMW be referenced in the</p> <p>13 audit file?</p> <p>14 <b>A Yes, it should. Depending on his last</b></p> <p>15 <b>audit and the purchase date. Like I said, we give an</b></p> <p>16 <b>audit every 30 days.</b></p> <p>17 Q Okay. And does the audit cover all the</p> <p>18 vehicles that are submitted for floor plan within</p> <p>19 that 30 days?</p> <p>20 <b>A No. Every vehicle on the receivable.</b></p> <p>21 Q Okay.</p> <p>22 <b>A So any vehicle that has been financed and</b></p>	123	<p>1 ACKNOWLEDGEMENT OF DEPONENT</p> <p>2 I, DAVID FREEMAN, do hereby acknowledge</p> <p>3 that I have read and examined the foregoing</p> <p>4 testimony, and the same is a true, correct and</p> <p>5 complete transcription of the testimony given by me,</p> <p>6 and any corrections appear on the attached Errata</p> <p>7 sheet signed by me.</p> <p>8</p> <p>9 _____</p> <p>10 (DATE) (SIGNATURE)</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>
122	<p>1 <b>not paid off is what we're inspecting.</b></p> <p>2 Q Okay. Do you know whether an audit had</p> <p>3 been run after the time the BMW would have appeared</p> <p>4 on the receivable?</p> <p>5 <b>A No, I do not. Mine was the last audit that</b></p> <p>6 <b>day.</b></p> <p>7 Q Okay. So you also perform audits?</p> <p>8 <b>A Yes. If there's an issue, I'll follow up</b></p> <p>9 <b>to see what's going on, and make a determination from</b></p> <p>10 <b>there.</b></p> <p>11 MR. LEVINE: Okay. That's it.</p> <p>12 MR. BRAGDON: Thank you. We'll read.</p> <p>13 THE REPORTER: Mr. Bragdon, are you</p> <p>14 ordering a copy of the transcript?</p> <p>15 MR. BRAGDON: Yes, please. E-Tran.</p> <p>16 THE REPORTER: And Mr. Markels?</p> <p>17 MR. MARKELS: Electronic, please.</p> <p>18 (Signature having not been waived, the</p> <p>19 deposition of NEXTGEAR CAPITAL, INC., By and through</p> <p>20 its Corporate Designee, DAVID FREEMAN, was concluded</p> <p>21 at 1:41 p.m.)</p> <p>22</p>	124	<p>1 CERTIFICATE OF SHORTHAND REPORTER-NOTARY PUBLIC</p> <p>2 I, Lee Bursten, the officer before whom the</p> <p>3 foregoing deposition was taken, do hereby certify</p> <p>4 that the foregoing transcript is a true and correct</p> <p>5 record of the testimony given; that said testimony</p> <p>6 was taken by me stenographically and thereafter</p> <p>7 reduced to typewriting under my direction; that</p> <p>8 reading and signing was requested; and that I am</p> <p>9 neither counsel for, related to, nor employed by any</p> <p>10 of the parties to this case and have no interest,</p> <p>11 financial or otherwise, in its outcome.</p> <p>12 IN WITNESS WHEREOF, I have hereunto set my</p> <p>13 hand and affixed my notarial seal this 27th day of</p> <p>14 November, 2014.</p> <p>15 My commission expires June 30, 2019.</p> <p>16</p> <p>17</p> <p>18</p> <p>19 _____</p> <p>20 LEE BURSTEN</p> <p>21 NOTARY PUBLIC IN AND FOR</p> <p>22 THE DISTRICT OF COLUMBIA</p>